

# THE INDEPENDENT



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INDEPENDENT

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COLLECTION

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TUESDAY 19 MARCH 1996 40p (IR 45p)

## Extravagance is back in fashion

Reports from the Paris catwalks

Section Two, pages 12, 13

## Tory summit on 'feelgood factor' crisis

### Major offensive as polls slump

COLIN BROWN

Chief Political Correspondent

John Major has summoned senior ministers to a Cabinet summit meeting tomorrow to try to solve the mystery of the missing "feel-good factor".

Ministers are anxious because the Tories have failed to gain an improvement in the opinion polls despite the fact that the factors for a recovery are all in place, including interest rates at their lowest level for a generation, inflation at its lowest for half a century, and the housing market starting to take off.

Mr Major is frustrated about the failure of the economic "good news" to convince the electorate. Morale among Tory MPs remains at rock bottom and many admit they expect defeat at the next general election over Labour's campaign message that it is "time for a change".

The Prime Minister is concerned that economic good news, traditionally seen as a vote-winner, has governments split.

One of their team, also known as the Tories' High on the Agenda, will be job insecurity, with one in four of the working population having lost employment since the election in 1992.

Ministers are preparing to target the Labour leadership as part of the fight-back, and senior Tory figures have indicated they are ready for a dirty campaign. They are looking for another embarrassing defeat for Labour similar to the Harman row.

Ministers plan to exploit splits in the Labour Party over Ms Harman. As the Cabinet is meeting, the Parliamentary

Labour Party will be debating a call to bring forward the Shadow Cabinet election from November to July, which could lead to Ms Harman being voted out.

Tony Blair could face the dilemma of appointing Ms Harman to his team, and risk a new rift with Labour MPs who are still angry with her, over the decision to send her son to a grammar school.

Mr Major will try to raise the Tories' appeal in a speech tomorrow to the Social Market Foundation, outlining his vision for an "opportunity Britain". Mr Blair also plans a speech on Labour's plans for small businesses - traditionally seen as Tory supporters.

Some senior ministers believe the Scott inquiry into the arms-to-Iraq affair blew the Government off course.

The Tories intend to use the spring council meeting in Harrogate as the launch pad for a "fight-back". Cabinet ministers will speak for the first day.

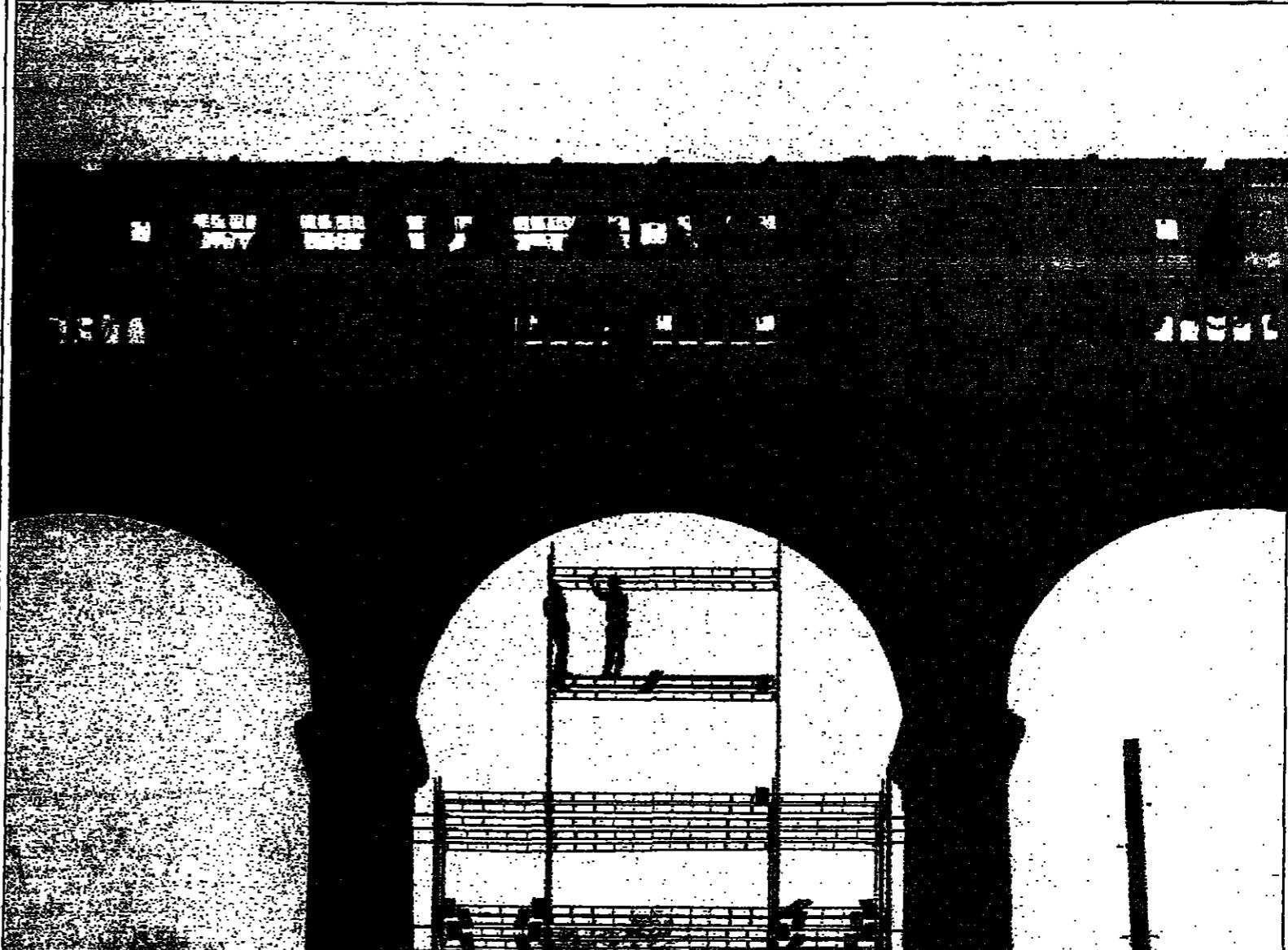
The key item on the Cabinet agenda will be a strategy for dealing with the appeal of the Labour leader to wavering Tory voters, by insisting Labour has not dropped Socialism, in spite of its repackaging as "new Labour".

The head of the Conservative research department, Danny Finkelstein, who has mapped out the strategy, has taken ministers to task over the way they deal with Mr Blair. When the Labour leader launched his "stakeholder economy", he was attacked for stealing Conservative policy by Michael Portillo, who was in Japan, while

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Ministers plan to exploit splits in the Labour Party over Ms Harman. As the Cabinet is meeting, the Parliamentary

## Waterloo for BR as French take over



French connection: A Network SouthCentral train crosses the Ouse Valley viaduct on its way from London to Brighton

Photograph: Nicholas Turpin

CHRISTIAN WOLMAR

Transport Correspondent

A French company is expected to be given the franchise to run one of Britain's busiest commuter rail networks.

Compagnie Générale des Eaux is expected to be told by the franchising director, Roger Salmon, that it has become the sole preferred bidder for the franchise for Network SouthCentral, which runs the train services from Victoria and London Bridge stations to the south coast between Hastings and Southampton and many shorter suburban routes.

The French conglomerate

already has significant interests in the UK, including the Onyx street cleaning and refuse collection services and several small water companies with a total of 3 million customers.

It narrowly missed out on winning the franchise for South West Trains last month but this time it has beaten off a combined challenge from Stagecoach, which won the South West franchise, and another bus company, National Express.

National Express is thought to be the favourite to win the franchise for Midland Main Line, the InterCity services out of St Pancras, also due to be announced this week. But the third franchise at the final bid stage, Gatwick Express, is an open contest between the management buy-out team, which has linked up with British Airways, and Richard Branson's Virgin group.

Claims by Mr Branson that Virgin had won the franchise were being discounted last night by sources close to Mr Salmon. Both have agreed to pay to operate the line, rather than receive subsidy, as Gatwick Express is the only profitable franchise of the 25 on the network.

Currently, British Rail receives about £51m a year in subsidies to run Network SouthCentral services and the new operator is expected to receive about the same amount initially, but a reduced amount each year over the period of the seven-year franchise.

On Friday *The Independent* revealed that the Bermuda-based ferry company, Sea Containers, had won the franchise for the East Coast Main Line.

South West Trains and Great Western Trains, the first two privatised lines, started operating under their new operators on 4 February and the four new private operators are expected to take over from BR within the next couple of months.



## Water firm 'planned to move 1m people'

PAUL FIELD

Yorkshire Water, whose managing director Trevor Newton announced his resignation last week, was plagued by claims that a quarter of supplies were lost through leakage and it was ill equipped to tackle the crisis.

The independent inquiry, chaired by Professor John Uff, a barrister and water engineer, is expected to last two weeks. The hearing at Leeds Town Hall was told that the Department of the Environment has no plans to submit a report despite an invitation to do so. Ofwat, the water regulator, has announced it is carrying out its own inquiry into the crisis.

In its submission presented yesterday, Bradford Council said the evacuation option was a desperate measure suggested by Yorkshire Water after it ruled out the use of tankers to bring in supplies. That decision



Cracking up: An aerial view of Fawdon Reservoir, the feeder reservoir for Bradford, near Blubberhouses in North Yorkshire

was later reversed. Bradford said last night that the evacuation plan was "ridiculous".

Tony Kilner, representing Bradford Council told the inquiry: "Yorkshire Water had no emergency plans for a drought situation. With the prospect of standpipes it could have been disastrous."

The effect of rationing would be devastating," he added: "Public services

would have been stretched to breaking point. Social services believe the effects of rota cuts would have been catastrophic."

Schools would have been forced to close because teachers would have been unable to maintain minimum standards of hygiene in the classroom.

Dr Chris Worth, director of public health for the West Yorkshire Health Authority, said Yorkshire Water failed to foresee the serious public health implications of a reduction or possible cessation of water supplies. "The health and well-being of the population at large of West Yorkshire were under serious threat had the proposed rota cuts gone ahead. Lives could have been lost."

The Yorkshire Water Chamber of Commerce told the inquiry its members suffered losses in preparing for the worst

case scenario and blamed Yorkshire Water. "There was a slow reaction throughout. They were praying for rain."

John Holroyd, a barrister representing Yorkshire Water, made it clear that the company would robustly defend its handling of the drought although he admitted there were lessons to be learned. He emphasised its position should be considered against a background of low rainfall and increased demand which led to the rapid depletion of reservoirs.

He claimed the Yorkshire Water has been able to reduce the probability of rota cuts with an £100m programme of new pipelines and pumping stations.

Yorkshire Water last night issues a statement denying the claims by Bradford council had ever been discussed at senior level.

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### IN BRIEF

#### Heroin 'epidemic'

Britain is on the verge of a heroin epidemic with seizures of the drug up 80 per cent to a record total last year. Page 6

#### Rose West appeals

No direct evidence linked Rose West with the 10 murders she was convicted of at a trial on which the media had had "a malignant influence," the Court of Appeal heard. Page 5

## Mandela: Winnie made me the loneliest man

ROBERT BLOCK

Johannesburg.

There was a fleeting moment when the sadness left Nelson Mandela's face at his divorce trial in Johannesburg yesterday. It was when his estranged wife, Winnie, first entered the courtroom. He caught sight of her, and for a moment, smiled. She, in response, turned away.

If there were any lingering doubts in the South African President's mind over his decision to end his 38 years with a woman whom he once worshipped, they must have faded away in that moment.

It was not long after that Mr Mandela told a court packed with journalists, television cameras and the curious: "If the entire universe persuaded me to reconcile with the defendant I would not... I am determined to get rid of the marriage."

Once the icons of the anti-apartheid struggle, Nelson and Winnie Mandela are almost certain to be, finally and officially, divorced.

Mr Mandela's lawyer, Wim Trengove, argued that the President's marriage was beyond repair. He said Mr Mandela rejected his estranged wife's assertion that any arbitration

could bring the two back together. There was, Mr Trengove said, simply nothing to salvage.

But it took the man himself to bring home that message. Composed but visibly sorrowful, Mr Mandela told how his wife accomplished in two years what 27 years in prison failed to achieve: she made him feel humiliated and lonely. "Ever since I came back from prison, not once has the defendant ever entered our bedroom while I was awake," the 77-year-old President told the Rand Supreme Court in Johannesburg.

"The bedroom is where a man and woman discuss the most intimate details. There were so many things I wanted to discuss with her, but she is the type of person who fears confrontation. I was the loneliest man during the period I stayed with her."

The President initiated divorce proceedings in 1992, two years after his release from jail. Mr Mandela told the court that it was her "brazen conduct" which convinced him to end the marriage. He then recounted how in August 1992 he was given a letter supposedly written by Mrs Mandela which confirmed his suspicions of her infidelity with a young lawyer from the African National Congress. He said he had tried to make the parting as painless as possible for the benefit of their two daughters, Zindzi and Zenani, but felt compelled to disclose the affair. "I did not wish to wash our dirty linen in public," he said.

Mr Mandela will be questioned today by his wife's lawyer. Mrs Mandela is expected to take the stand tomorrow when her counter claim to assess her husband's estate is heard; she is seeking at least half. It may be a small price compared to what the President said she has already taken.

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## news

### Rock's role must remain mystery for time being

CHARLES ARTHUR  
Science Correspondent

A piece of bright blue rock now puzzling mineralogists in the Natural History Museum may mark one of the rarest events on earth - a tourist getting the best of a deal with a Moroccan trader.

When Anna Grayson, a geologist, came across the fist-sized lump of rock at a roadside souvenir stall in Morocco 15 years ago, its seller assured her that it was *lapis lazuli* - well-known for its blue colour and exotic associations.

The stallholder sold it to Mrs Grayson for the equivalent of a few pounds, confident that he had passed on a piece of the relatively common mineral to one of the millions of visitors who buoy up Morocco's economy. But Mrs Grayson realised she had found something unusual, though her scientific training could not identify it. Until last year, she had left it at her home in Watford.

Then, during National Science Week, she took it to the Natural History Museum, which was offering to identify mysterious objects. Experts there soon found that the min-

eral's structure and composition, a mixture of calcium, iron, aluminium, silicon, oxygen and a pinch of sulphur, was not listed among the 71,000 officially registered minerals.

"We are still trying to work on the structure of the crystals," said Dr Gordon Cressley, deputy head of the mineralogy department. "We are trying X-ray diffraction and scanning electron microscopes, which takes you pretty close to the atomic level. The crystals are very, very small. And it's so blue that when you look at light through it, it's like seeing a miniature stained glass window."

"It must have been known in antique times," said Dr Cressley. "In fact, there must be a cliff face made just of this blue rock somewhere in the Atlas mountains [in southern Morocco]."

About 40 new minerals are discovered every year, but rarely in such large amounts. But while Morocco's traders may have lost out in selling it, they could still get the last laugh. To fully document a new mineral, its place of origin must be included. This would almost certainly require the services of a local guide - at a rate to be negotiated.



Secrets of the stone: Anna Grayson with the piece of blue rock that has defied analysis at the Natural History Museum

Photograph: PA

**Aftermath of massacre:** Investigation into killer's past raises suspicions over income as first funerals of victims take place

### Hamilton 'may have had secret illegal income'

JAMES CUSICK

Thomas Hamilton had been interviewed by his local district council "several times" in the past 18 months over growing concern that he was bringing up his son how he managed to live.

**Stirling District Council** gave Hamilton 100 per cent housing benefit on the £32 per week rent he should have been paying for his council flat in Kent Road, Stirling. However the council was aware that since November 1993 Hamilton had not registered as being unemployed and was receiving no other benefits. In interviews and correspondence, the council quizzed Hamilton on where he got the money to live. More than one letter asked how he managed to "live on fresh air".



Hamilton: Income doubts

According to a senior council source there had been concern that Hamilton "must have had illegal earnings".

A spokesman for the council said: "We knew what he was telling us just did not add up. He said he was a photographer yet he said he had no income. He showed us a few receipts for his work but they were for only minute amounts."

Officials said that as he had no money they had a duty to grant him full housing benefit. Last year Stirling district learned that Hamilton had received money from photographic equipment he sold "worth thousands". However he claimed he had been merely "converting capital equipment" and he continued to receive his full housing benefit.

With local photographic processors having refused to handle Hamilton's work it is understood he was forced to use expensive private developers

in Glasgow and Edinburgh. There is also his recently purchased .357 Magnum handgun. Even secondhand such a weapon costs several hundred pounds.

It is understood from police sources in Glasgow that a police inquiry into Hamilton's background will deal with Hamilton's possible role as a provider of paedophile photographic material. One detective in Strathclyde police specialising in vice, told the *Independent* Hamilton may have had the potential for blackmail from photographs.

■ The Government was last night resisting pressure for early reform of the gun laws in the wake of the Dunblane massacre - despite growing backbench demands for tighter controls.

Downing Street said it would want time to study the findings of the Cullen inquiry before deciding what course of action to take.

### Best friends together forever in life and death

MARY BRAID  
and JOHN CLARK

They were baptised together, every Sunday they sat in the front row of church together and yesterday best friends Joanna Ross and Emma Crozier, both 5, were laid to rest together.

Hundreds of mourners attended the girls' funerals yesterday morning in a country church, the first for the 16 schoolchildren and their teacher murdered by gunman Thomas Hamilton.

As with so many religious services held in the last six days, the congregation proved too large for the kirk. About 500 people stood outside the 19th century Lecropt Church, where the girls' families worshipped while they attended Sunday school.

The sermon was relayed by speakers. The hymns they sang were children's hymns: "All Things Bright and Beautiful", "Jesus Loves Me" and the girls' Sunday school favourite "Give me Joy in My Heart".

Joanna's grandfather, Jimmy Ross, is an elder at Lecropt as is Emma's father, John. The girls were known as little characters and favourites with the Lecropt's Presbyterian congregation. Joanna's uncle, Gareth Jones, speaking on behalf of

both families, and the Rev William Gilmour told the gathering that while the girls had been best friends they had very different personalities.

Emma was "quiet and biddable", Joanna, "more headstrong". The families had encouraged their friendship, sure that something of each would rub off on the other. The two girls are seen standing side by side in their class photograph.

Mr Jones offered a few anecdotes from their lives. There was the time Joanna cut Emma's hair and a professional had to be called in to right a rather botched job. The stories raised some smiles and even some laughter on a day that was otherwise stamped with sorrow.

Mr Gilmour said: "To their respective parents each child was precious, loved dearly and cared for tenderly at home. We can appreciate their high hopes for the future womanhood of Emma and Joanna. It was tragic that neither girl was allowed to fulfil parental expectations, he added.

Later yesterday the funeral of "blonde and pretty" Abigail McLennan, five, was held at St Blane's church in Dunblane High Street. Flowers lined the pavement outside the old church a stone's throw from the

cathedral where the Queen and Princess Royal started their visit on Sunday.

As the tiny white coffin was taken from the church at the end of the service dozens of townspeople stood watching, eyes downcast and in silence.

And as mourners left, others were already arriving for the funeral of Kevin Hasell, five, also held at St Blane's. Kevin was described as a "bunch of mischief".

The funerals continue today with services for six more children. There will be four tomorrow and three, including church warden Gwenneth Mayor, on Thursday.

By yesterday morning, most journalists had left Dunblane and those remaining were set to follow. There have been widespread appeals for the town now to be left alone to grieve.

Two boys wounded in the attack, Ben Vallance and Robert Purves, were yesterday allowed home from hospital. A spokesman for Stirling Royal Infirmary said: "They will require further hospital treatment. The other three children and two female teachers who are patients in our care, are continuing to make good progress."

■ This article was based on a pooled report by the Press Association

### IN BRIEF

#### Boy, 14, arrested after gun thefts

A teenage runaway was arrested yesterday in connection with the theft from a pensioner of two rifles and two handguns.

The boy, 14, was being questioned by police last night after a massive haul. He was detained, along with a 16-year-old, at a house in High Wycombe, Buckinghamshire.

The four weapons - two .22 calibre rifles and two .22 calibre handguns - had been stolen from Peter Preston, 67, last Friday. They were part of a collection kept in a secure box at Mr Preston's house close to the boy's home at Chalfont St Peter.

#### Police pay damages

An Irish man was paid £7,500 damages and costs by the Metropolitan Police after he claimed two officers beat him up and one racially abused him. Paul Moran, 32, alleges that he was walking away from his home in west London at about midnight in December 1992 when a police vehicle stopped and PC Keith Lloyd and PC Ian Whately got out and seized him.

#### Brothers' ban lifted

Coventry City Council abandoned its High Court legal action against John Fazlie, 30, and his brother David, 27, who were to be banned in February last year from entering part of the Stoke-on-Heath housing estate after allegations that they were connected with crime and were bringing fear to the neighbourhood.

#### Taxi death

A taxi driver appeared before Hertfordshire magistrates charged with causing death by dangerous driving after Carol Watkinson, 23, died last Friday after being trapped in his cab for more than 35 minutes in the River Stort in Sawbridgeworth. Terence Williams, 55, was remanded on bail until 13 May.

#### Homes blight review

Government officials are to investigate blight suffered by homeowners living along the planned route of the Channel Tunnel Rail Link and other major projects. A working group will review the scope, cause and effects of blight and whether any changes can be made to arrangements for property purchase and compensation.

#### Beach huts taxed

Owners of beach huts at Mudeford Sands, Christchurch, Dorset, are legally obliged to pay council tax a High Court judge ruled. He said a local valuation tribunal was wrong in law when it decided 340 huts were exempt from the tax. The decision could affect thousands of holidaymakers around the country.

#### Benefit soars

The amount of benefit paid to people in work has more than doubled over the past five years, figures published by a Labour MP show. The increase - from just over £1bn a year in 1990 to more than £2.3bn last year - is the result of employers taking advantage of the welfare system to hire employees at rock-bottom wages, Denis MacShane, the MP for Rotherham, said.

#### Vet loses appeal

Ryan James, the vet jailed for life at Stafford Crown Court last May for poisoning his wife, has lost his appeal against conviction. James, 41, a partner in a practice at Burton upon Trent, Staffordshire, was alleged to have killed Sandra, 39, by lacing her orange juice with the poison, a drug used to immobilise horses so he could collect her £180,000 life insurance and start a new life with his mistress, Catherine Crooks. James married Mrs Crooks at Gartree top security jail, Leicestershire, last September.

#### Pick up a

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#### Rumbles in heaven

When British Airways upgraded its first-class service to provide pyjamas, duck-down duvets and fully reclining beds, it wanted to make its passengers feel at home. But it was a little too effective. Now the airline is having to employ the tactics of the England Rugby team to stop its passengers snoring. The nasal strips used by captain Will Carling and his team to aid breathing have been adopted by BA to stop passengers in business and first class seats keeping each other awake.

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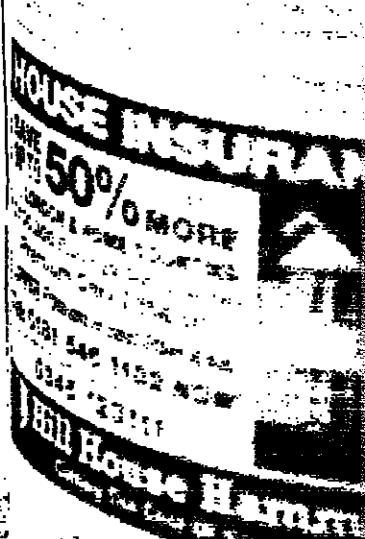
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# Harvey Nicks set for biggest sale ever – on Stock Exchange



Flagship: Harvey Nichols in Knightsbridge, nicknamed 'Harvey Nicks' by loyal customers

Photograph: John Voos

## 'Dearth of evidence' at Rose West trial

WILL BENNETT

There was no direct evidence to link Rosemary West with the 10 murders she had been convicted of, the Court of Appeal was told yesterday. Her counsel also accused the media of having "a malign influence" on her trial in November.

She had suffered both from the decision of the trial judge, Mr Justice Mantell, to admit key evidence "regarded" by the defence as inadmissible and from his failure to put her side of the case adequately when he summed up, said Richard Ferguson, QC.

West, 42, is seeking leave to appeal against her conviction on 10 charges of murder by a jury at Winchester Crown Court. But Lord Taylor, the Lord Chief Justice, and two other judges are effectively hearing her

step-daughter, and Shirley Robinson, a lodger at 25 Cromwell Street, was "tenuous."

Evidence connecting her to the seven victims of sex killings found at Cromwell Street, was virtually non-existent unless the evidence advanced under the banner of similar fact evidence was properly admissible.

Similar fact evidence was given by women who survived sexual assaults in which Rosemary West took part with her husband. The prosecution argued this showed that she was also involved in the attacks on the victims who died, but the defence said it was inadmissible.

Mr Ferguson said yesterday it was not known how the victim died because such a long time had elapsed since their deaths; Rosemary West had never admitted being involved, and there was evidence that Frederick West had carried out two murders and other attacks on his own.

The remains of Ann McFall, who disappeared before Frederick West met Rosemary, were found dismembered and bound with cord. Mr Ferguson said this showed that Rosemary West had not been involved in killing the seven Cromwell Street victims discovered in similar circumstances.

He said the possibility that Frederick West was solely responsible for the murders "is the hook upon which the defence hang their objection to the similar fact evidence."

Mr Ferguson continued: "The media both before and during the hearing of the case, exercised a malign influence on the proceedings such as to deprive the applicant of a fair trial."

He produced newspaper cuttings which he said were "sensational and prejudicial" and added that every major witness had a contract with the media which led to the danger of evidence being exaggerated or rehearsed with journalists.

Mr Ferguson said that another reason for the appeal was the defence's belief that the charges relating to Heather West, Charmaine West and Shirley Robinson should have been dealt with separately.

He also criticised the summing-up of Mr Justice Mantell for not giving adequate directions to the jury on how to apply similar fact evidence and failing to put the defence case fully.

The hearing continues today.



Rosemary West: Media were 'sensational and prejudicial'

appeal case in full.

The widow of the self-confessed serial killer, Frederick West, who was found hanged in his prison cell, denies any part in the murders of 10 girls and young women. Their remains were found at 25 Cromwell Street, Gloucester, the couple's house, and at their previous home in the city.

West is in jail at Durham and is not attending the hearing in London.

Mr Ferguson told the court yesterday: "Other than the sheer horror of the discovery of the remains of the victims, the most striking feature of this case, say the defence, was the dearth of evidence to connect the applicant to these crimes."

He said the evidence linking Rosemary West to the deaths of Heather West, her daughter, Charmaine West, her husband's son



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## news

# Record heroin haul as gangs try to flood UK.

JASON BENNETTO  
Crime Correspondent

Britain is on the verge of a heroin epidemic with seizures of the drug up 80 per cent to a record total last year, it was revealed yesterday.

Investigators believe drug traffickers are trying to flood the United Kingdom with heroin in an attempt to create a bigger more profitable market.

Customs officers and the police also announced yesterday that in 1995 they recovered the biggest ever quantity of drugs in a single year. A record 55.6 tonnes of drugs were seized –

about £458m worth – up 9 per cent on 1994.

There has also been a resurgence in the popularity of the dance drug ecstasy. In 1995, the amount seized rose by about 17 per cent to the equivalent of 2 million tablets, worth about £30m at street prices.

But it is the huge increase in seizures of heroin – 1.118 kilograms, or enough for 658 million injections – that is causing the greatest single concern.

Dick Kellaway, Customs & Excise chief investigator, warned: 'All the evidence – Customs seizures, police seizures and reports from those close to

the users – points to a massive increase in the volume of heroin being targeted on the UK. We believe that the increase is suffered in the sense that heroin is being imported in order to create a market. Potentially this is the most serious drug problem that all of us face.'

Heroin is now the most common class A drug. Most of it comes from opium grown Turkey, Pakistan, and Afghanistan and arrives via countries such as the Netherlands, Germany, the Czech Republic, Slovakia, Bulgaria and Hungary.

Most of the trafficking gangs in the UK are Turkish, Asian

and Afghan. About 20 Turkish gangs are running the bulk of the multi-million pound heroin trade with their main stronghold in north London. The drug is usually sold on to white drug gangs and dealers for distribution in the big cities.

A wrap of heroin costs between £10 and £15, and police believe an increasing number of young people are choosing it as their first choice drug. The trend was highlighted in the current hit film *Trainspotting*.

Customs say there is no sign of the overall upward trend abating. Police have also warned of a drug-gang culture

similar to the United States developing unless action is taken.

Keith Hellawell, Chief Constable of West Yorkshire and Chairman of the Association of Chief Police Officers' drugs sub-committee, also highlighted the growing threat to the young. He said the death of 18-year-old ecstasy victim Leah Betts had brought home the extent of the problem.

While seizures of ecstasy rose to 54.4kg, those for amphetamine dropped from about a quarter to 52.7kg and for LSD by more than a half to 31,000 doses. The rise in ecstasy is partly blamed on the growth of im-

ported drugs from Holland, Belgium and France.

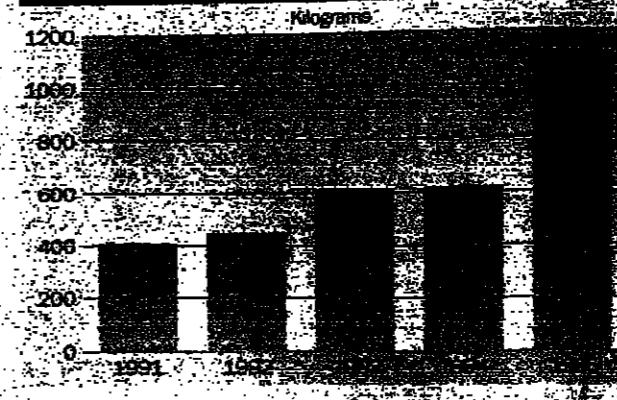
Surprisingly the amount of cocaine seized is down by more than half on last year to 940kg – about £110m at street prices.

However, Customs and Excise believe the trend is still going up and the drop is a statistical blip resulting from three unusually large seizures in 1994.

Cannabis still makes up the bulk of drugs seized – more than 80 per cent of the total.

For the first time, the figures include drug seizures at the Channel tunnel. In 1995, there were 12 major seizures with a total street value of £8m.

## HM Customs & Excise Heroin seizures



## 'Vet's 100 dogs lived in filth as wild pack'

A vet kept 100 dogs in such appalling conditions at her home that some had no eyes and others had stumps for legs. A court was told yesterday.

Three inches of filth was caked on to the floors at Helen Hein's cottage near Guildford, Surrey, and in-breeding among the dogs "led to hideous deformities," it was claimed. Dr Hein, 69, is charged by the RSPCA with causing unnecessary suffering to the dogs.

Farnham magistrates were told at the start of a five-day trial that Dr Hein bred German shepherds in filthy conditions. Many ran wild and formed packs. They were diseased and deformed. The vet, who denies a total of 19 charges of causing unnecessary suffering to the animals, was a former research



Dr Hein: RSPCA said dogs in 'appalling conditions'

veterinary surgeon employed by the Ministry of Agriculture.

She illegally bred dogs for sale at her secluded cottage at Newlands Corner because she was not a licensed breeder.

The charges were brought after RSPCA inspectors visited her home more than half a dozen times in October and November 1994 and March 1995.

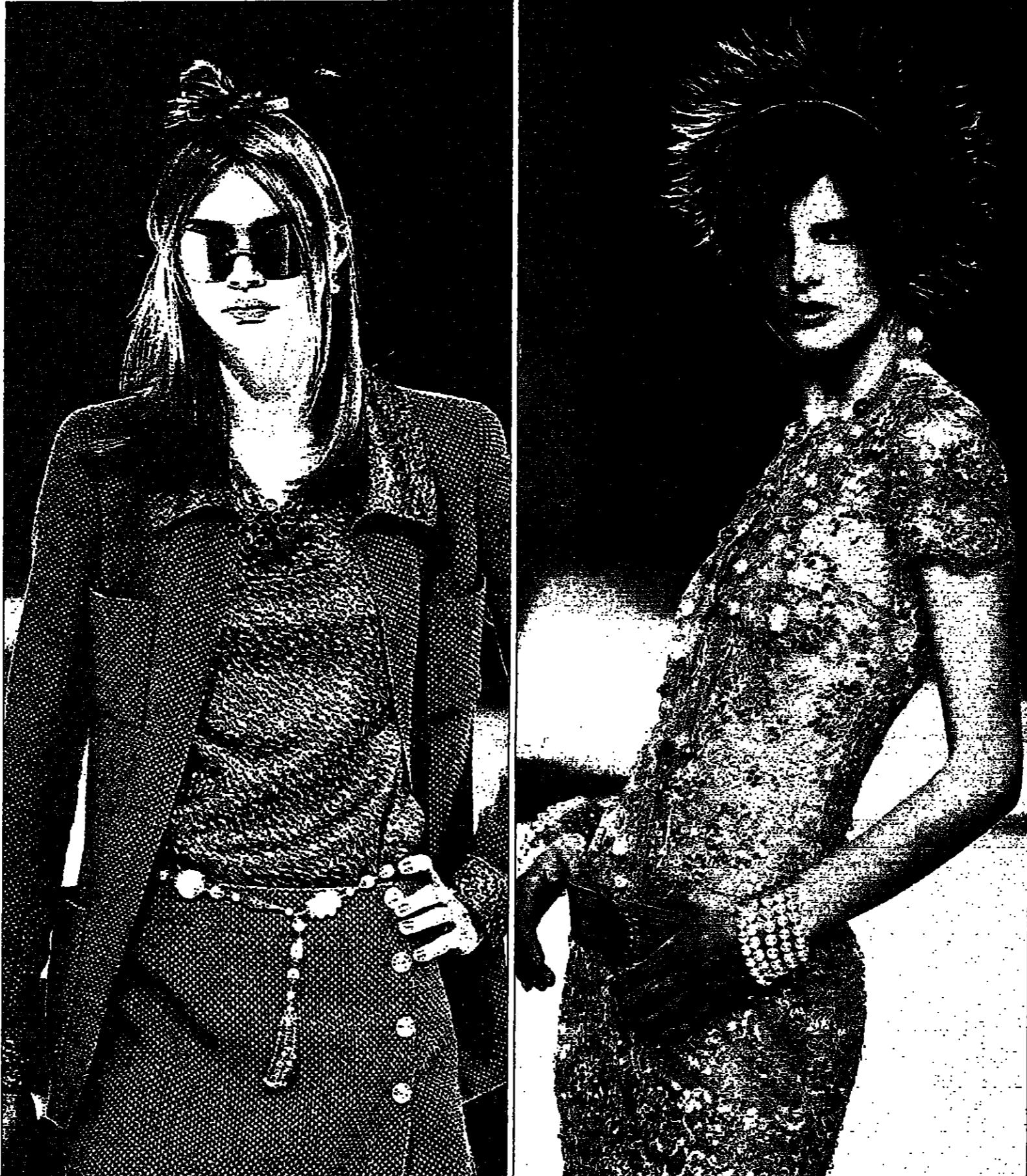
Alan Kurtz, for the prosecution, warned magistrates that the evidence they would hear would be very distressing. Inspectors found dogs with missing eyes, sores and cuts and one animal hobbling around with a stump for a back leg. The court was told how every room in the house was covered in excrement

I visited on 2 March, 1995, to make a full inventory. In a back bedroom, I was absolutely appalled. There were three inches of solid faeces on the floor which if you walked on it did not leave a footprint.

"There was no water and the only food I saw was scattered on the faeces. In the kitchen there were between 10 and 15 dogs including puppies. Three dogs were of particular concern, one puppy had a bite wound to its face. This was a fresh bite. It had lost its left eye." Miss MacVicar said she also inspected several outdoor kennels and found similar horrific scenes.

The trial continues.

Supermodels show the timeless grace of a legendary name



Classic glamour: Claudia Schiffer models a tweed suit with reflective lining turned out at collar and sleeves by Karl Lagerfeld for Chanel (left) and (right) Stella Tennant wears a brocade evening dress, also by Lagerfeld for Chanel, in Paris yesterday

Photographs: AFP/Sheridan Morley

## Woman golf champion 'treated differently' over club punch-up

A women's golf champion, sacked after punching a fellow club member off his bar stool, yesterday claimed she would have been treated differently if she were a man. Philomena Vaughan, 42, denied exaggerating the incident, which later earned her the nicknames "Mohammed Ali" and "Rocky".

Cross-examined after a resumed industrial tribunal, Mrs Vaughan, three times club champion, insisted that during a trophy presentation night at the Downton golf club, Gwent, businessman John Price, 49, slid his hand under her waistcoat and rubbed his hand up and down her thigh.

When she told him to stop,

Mr Price said something and then flicked his hand towards her face. "I put my hand up to fend him off and then hit him on the side of his face."

At an earlier hearing, the Cardiff tribunal was told Mrs Vaughan was first suspended and then sacked two months later as manager of the golf shop for gross misconduct following a row with the club's owner and chairman, Elwyn Harris, over his handling of the issue.

Mrs Vaughan of Rogiet, Gwent, claims unfair dismissal and also sex discrimination because Mr Price was not treated in the same way after the incident. "What upset me most was that the golf club didn't inter-

view me that night to find out what happened... Obviously, they didn't believe me at the time."

Former club barmaid Sonya Harris (no relation to Mr Harris), 24, described hearing Mr Price point out to Mrs Vaughan that she had something on her dress. "I then saw Mr Price lean forward and put his hand on her left thigh. Mrs Vaughan said something like 'Don't touch me', then I remember Mr Price waved his hand in front of her as if he was dismissing her allegation."

Mrs Vaughan had reacted by twice poking him in the shoulder area. "To me it looked like Mrs Vaughan or touching her. The case continues.

## McFlights take burgers on to a different plane

### ROS WYNNE-JONES

"This is your captain speaking on the McPlane flight from Zurich to Palma. Big Macs and milkshakes will now be served."

Not content with providing burger bars across the world's holiday destinations, McDonald's will shortly take to the sky in a big red aeroplane.

The aircraft, dubbed McPlane in Britain and the Flying Ketchup in Switzerland, where the idea was conceived, makes its maiden voyage on 1 April.

But the bright red 161-seat aircraft, with McDonald's embossed across the fuselage and a trademark yellow "M" on the tail, is an earnest attempt by the

fast food giant to make "flights fun for families" and to trailblaze the company's name across the heavens.

The joint venture between McDonald's Switzerland, charter company Crossair and Hotelplan, the Swiss tour operators, will feature a McDonnell Douglas MD-81 aircraft customised to create an "ambience close to that of a McDonald's restaurant", but with red leather seats for comfort.

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Crossair, a subsidiary of Switzerland's national airline, Swissair, usually specialises in upmarket charter flights for business clients, with flight attendants serving champagne rather than Chicken McNuggets. A spokeswoman said:

"It is moving downmarket for us, in a way, but we were glad to be doing something different, with families in mind."

"Children get very bored and we would be offering them souvenirs, a certificate and toys, as well as a McDonald's-style meal."

Children will be able to visit the cockpit, under supervision, with a range of holiday souvenirs on sale to complete the outing.

President of the court martial, Captain Simon Goodall, told him: "There's no disguising the fact that you are the architect of your own downfall. You have woven a web of deceit which has entangled your entire family and other unsuspecting people."

"The root cause has been your addiction to gambling but this does not alter the stark fact that you have been dishonest. The service relies on honesty and trust and you have abused that trust."

Woodworth was also ordered to have his pay stopped until he had repaid £2,655 and to suffer the financial penalties from his dismissal. They include his £43,000-a-year salary, his married-quarters flat in Portsmouth and a £100,000 pension lump sum.

## Numbers up as BT rings in a new service for the home

CHARLES ARTHUR  
Science Correspondent

BT is testing a service which could assign up to 16 telephone numbers to a single incoming line, making the phone ring differently depending on which one is being called.

The system, now on trial in Glasgow, would let several people in the same house each have

an "assigned" ringing tone – for example the normal two short rings or two long rings. They would then know precisely who the phone was ringing for.

BT says that its introduction nationwide is "a matter of when rather than if".

The move is part of an effort

to fight back against cable companies, which are using their own recently installed digital TV and telephone networks to offer a wide range of services.

Cambridge Cable, which owns four franchises covering a total of 500,000 homes, has been offering the same "multiple ring" service – Identical Call – since December at £6 per quarter per extra number

assigned to the line. Other cable companies are also planning to introduce the service.

The system uses a facility available through digital telephone exchanges by which a particular phone number does not have to be connected to an actual line. Alternatively, many numbers can be assigned to a single line, with a particular ringing pattern, controlled by the ex-

change nearest to the phone. It could be used by somebody working at home who wanted to distinguish between incoming business and personal calls (which would be listed under different numbers in a phonebook) or by families who might want to offer teenagers a separate phone number.

Outgoing calls would still be charged to a single bill, but itemised billing would make it possible to identify who made which calls.

"While the technical limit is 16 lines per phone, it gets increasingly difficult to distinguish who is being called as you add more," said a BT spokesman yesterday. "It's easiest with two, and then it gets progressively more complex."

The problem is that the exchange can vary the length of individual rings, but not their pitch.

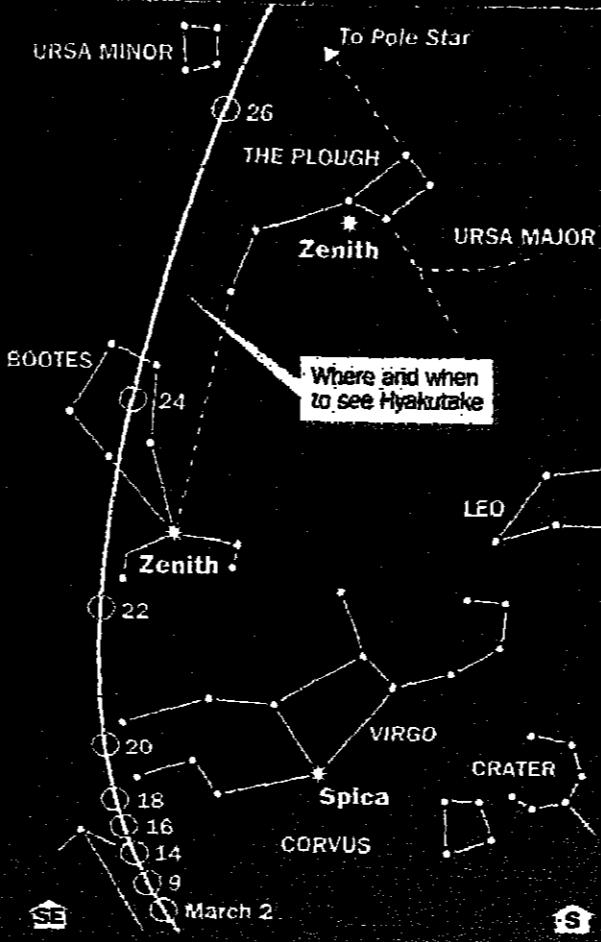
Multiple-number facilities have been available for some years in the US, where digital exchanges have been in use for longer.

BT only converted its national network from older, analogue systems in the middle of last year. The problem is that the

**Naval officer stole to fund betting**

### Comet Hyakutake's shining path

The comet is following the same path as the Sun, which is expected to pass closest to Earth on March 26, and later this month it will be one of the brightest objects in the sky.



## Spotters await the comet of the century

CHARLES ARTHUR  
Science Correspondent

Thousands of amateur astronomers are preparing their binoculars to watch what could be the brightest comet for this century. Comet Hyakutake, discovered in January by a Japanese amateur, will be at its brightest by the end of this week, when it should be visible all night as a large, fuzzy patch a little smaller than the Moon. Besides being exceptionally bright for a comet, it will also pass very close – in cosmic terms – to the Earth. On Saturday it will be just 10 million miles away, having travelled hundreds of millions of miles through space on an elliptical orbit around the Sun that has probably taken centuries. It will then pass 20 million miles from the Sun before disappearing below the plane of the Solar System.

Comets are frozen bodies of gas, liquid and rocks a few miles across whose "tails" are created by streams vapourising as the Sun heats them up. The tail always points away from the Sun.

Although some comets have proved disappointingly dim after predictions that they would

light up the sky, experts are hopeful this will be different.

"It looks as though this is going to be very bright," said the noted astronomer Patrick Moore yesterday. "I don't think it will be as big as the full moon, but part of that is because it is still approaching us. It will look more like a conventional comet – with a tail streaming behind it – next month, when it is moving away from us."

Comets are frozen bodies of gas, liquid and rocks a few miles across whose "tails" are created by streams vapourising as the Sun heats them up. The tail always points away from the Sun.

The comet is currently most visible in the early hours of the morning, after about 3am. It is best viewed using binoculars. "Telescopes don't have a wide enough field of view," said Mr Moore. But as the week progresses it will become brighter and more visible throughout more of the night as it moves towards the sky's North Pole.

But even before Hyakutake has come fully into view, astronomers are preparing for the arrival next year of Comet Hale-Bopp, which will make its closest approach to the Sun on 1 April. It could eventually be brighter than Hyakutake, according to experts who spotted it beyond Jupiter's orbit last summer.

## Stress 'hits 40 per cent of police officers'

LIZ HUNT  
Health Editor

Nearly a quarter of police officers suffer severe psychological distress as a result of their day-to-day policing activities, according to a new study.

Overall 40 per cent of the force studied showed "significant" psychological distress, and reported a much higher level of symptoms of post-traumatic stress disorder than the general population.

Symptoms included flashbacks to incidents, nightmares, inability to sleep or enjoy normal activities, and an over-reliance on alcohol and drugs. Women reported almost twice as many symptoms as men.

Officers with the longest service suffered the highest levels of distress, according to Jennifer Mitchell-Gibbs, an inspector in the Essex force, who with Dr Smart Mitchell, a clinical psychologist at Hartlepool General Hospital, surveyed 1,000 constables and sergeants from a force in south-east England.

"This is contrary to expectations. Officers don't become immune to traumatic events over time... the effect of stress is cumulative; a drip-drip effect and then it may be just one fatal accident too many that tips the crunch," she said.

Death, major disasters, and incidents resulting in injury to themselves or colleagues, were the most common problems. However, attendance at a sudden death, a very common policing duty, was described as "very distressing", particularly for those contacting the relatives of the dead person. Some 23 per cent of officers displayed severe psychological distress.

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### DAILY POEM

#### Magnetism

By Miroslav Holub

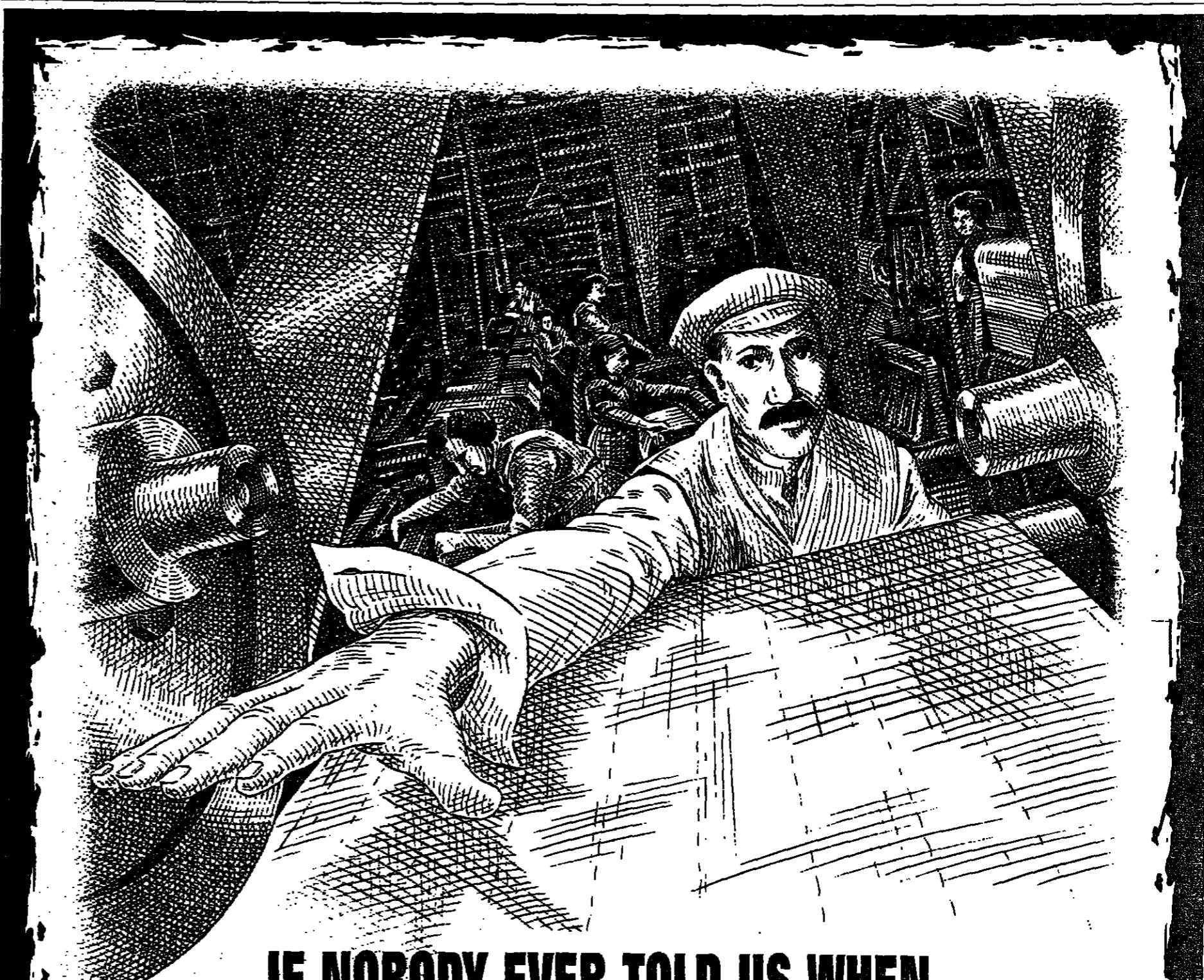
When the Queen, over the magnetic lines of force on Faraday's rough table, asked And what use is it? Faraday replied, gazing lower than her face collar:

And what use, Ma'am, is a child?

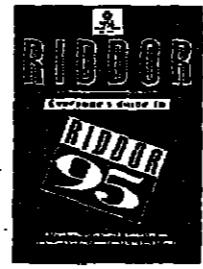
It was a high point of science in history, because modern mankind is divided into those who understand gravitation and those who understand braces.

We either ask about everything, or we ask about nothing, in which case the universe originated in the Square of the Republic through the condensation of Saint Nicholas's deodorant.

This week is National Science Week, the third of its kind, led by the British Association for the Advancement of Science and designed to increase public understanding and interest in science. This poem is taken from a new collection, *Supposed to Fly* (Bloodaxe, £8.95), by Miroslav Holub. Holub is a rare creature: a leading Czech scientist and her most important poet, whose preoccupations – the pitching of scientific rationale against the central mystery of human existence – pitch and bob around his verse. "He is," wrote Ted Hughes, "one of the half dozen most important poets writing anywhere."



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## international

# Confident Taiwan rolls out its tanks

TERESA POOLE

Hsinchu

Sixty miles south of Taipei, the 51st Tank Brigade was ready and waiting. But Lieutenant-General Kao An-guo, the deputy commander of Taiwan's Northern Field Army, was not letting on if he was concerned.

"I do not think the Chinese Communists have the ability to cross the Taiwan Strait," he said yesterday, as 40 tanks and armoured troop carriers put on a demonstration of what would await them if they did.

The training and attack base, in the suburbs of Hsinchu city, is home to 1,700 troops, one of many bases on Taiwan. If the general was to be believed, the brigade had stayed on level 5, the lowest in terms of alert. "We do not feel tense," he said.

Yesterday, as blustery rain and fog shrouded Taiwan and the strait, the battle was mostly about propaganda. As the tank brigade was put through its paces for the world's television cameras, Taiwan's message was confident. "We are ready to repulse any invading force coming from outside the island," said General Kao.

On the mainland side of the Taiwan Strait, China's latest military exercises appeared to have been delayed by bad weather. But preparations for a show of force were under way.

On the island of Pingtan, off China's south-east coast, radio broadcasts ordered residents of nearby islets to evacuate to the mainland before 4pm. Civilians on coastal areas were also told to move, and fishermen to stay in port.

People's Liberation Army (PLA) tanks and troop-carrying vehicles were reported to be patrolling the streets of Pingtan. "There are tanks, troop carriers and other military vehicles all over. The army has taken

charge of local traffic," a local official reported.

The new exercises, which were due to start yesterday and continue until after Taiwan's presidential election on Saturday, are expected to include well-publicised amphibious landings on Pingtan. It will be an unmistakable message to Taiwanese voters. Last November, large-scale beach landings were included in mainland exercises and then shown at length on state television for Taiwan's benefit. This week's army, navy and air force manoeuvres are expected to be larger than ever, over an area stretching to the middle of the Taiwan Strait.

In Hong Kong, the Peking-controlled *Wen Wei Po* newspaper quoted a PLA leader as saying China might need to widen the latest exercises.

"The scale of strategic exercises currently and in the future may have to be enlarged," said the deputy commander of Shenyang military district, Shi Baoyuan.

Although few analysts believe the PLA will attempt to seize any of Taiwan's territory this week, residents of small islands closest to the test zone have decided not to wait around.

Large numbers of soldiers are on alert, and the towns have almost shut down.

On Wuchiu, 11 miles south of the zone, only 16 of the 82 residents remain, and they are under curfew. The 200 islanders still on the Chu islands, 11 miles north of the zone, practised air-raid drills yesterday. About 300 islanders decided to flee on Sunday, although the government has no official policy concerning evacuation.

Fishing boats, which would normally work these waters, were warned repeatedly to stay clear of the region and were turned back to Taiwan's northern port of Keelung.



Fighting talk: Taiwanese soldiers carrying a shell during exercises near the northern town of Hukou

## IN BRIEF

## Car bomb kills six in Algerian city

Algiers — A car bomb exploded yesterday outside the police headquarters in the north-eastern city of Tizi Ouzou, killing at least six people and injuring 25 others, hospital sources reported. Twenty of the injured were said to be in a serious condition.

First reports indicated the bomb went off in a car parked near the main police station, not far from the railway terminal. Local officials blamed the Armed Islamic Group (GIA), Algeria's most violent militant organisation. AP

## Russian offensive

Moscow — Russian troops stormed into a village in western Chechnya to mop up pockets of resistance by separatist rebels, Russian news agencies said. The assault on the village of Samashki, about 20 miles west of the Chechen capital, Grozny, followed heavy Russian losses. A Russian official said that 11 servicemen were killed in an ambush. Reuter

## Tramp burned alive

Paris — Youths killed a homeless man by setting him on fire in a street near the Eurostar terminal at the Gare du Nord, police said. The victim, aged about 30, was apparently doused with methylated spirits. Witnesses reported seeing three or four youths running away from the scene. Reuter

## Camp crackdown

Juba — Five Central African leaders launched a new crackdown on intimidation in camps for Rwandan refugees, in an effort to persuade them it is safe to return home. Former US president Jimmy Carter announced the measures, ending three days of talks. "The uncertain thing is convincing the refugees that it's safe and advantageous to return," he said. AP

## Tamil Tiger attack

Coloombo — Sri Lankan Tamil Tiger guerrillas killed 18 soldiers in a landmine attack in the northern Jaffna peninsula, in the first big rebel attack in several weeks. Reuter

## Democracy blues

Harare — Fewer than half of Zimbabwe's 4.9 million voters cast ballots in the presidential election at the weekend, seen as a mere formality after a boycott by challengers to President Robert Mugabe. Initial figures showed about 31.4 per cent of registered voters turned out. Reuter

## Nobel poet dies

Athens — Odysseus Elytis, 85, who won the Nobel Prize for Literature in 1979, died at his home in central Athens yesterday. Radio stations broke into programmes to announce his death and many started non-stop broadcasts of his poems, which became hugely popular when set to music. Reuter

## Obituary, page 12

## Flying high

Zhukovsky, Russia — The Tupolev company has unveiled a prototype update of its Tu-144 "Concord" airliner, which it hopes US money will turn into the supersonic passenger aircraft of the 21st century. The Tu-144LL retains the drop-nosed, delta-wing look of the 28-year-old Soviet rival to Concorde but is fitted with more powerful engines, developed for nuclear bombers. Reuter

## Trees stripped bear

Sydney — Animal rights activists are fighting a plan by South Australia's National Parks and Wildlife Service to kill or remove 2,000 koalas on an island near Adelaide to halt a potentially disastrous population explosion. A state government spokesman said the present population of 5,000 animals was quickly stripping the island's eucalyptus trees of leaves — the creatures' main diet. AP

Bomber

Jordanian challenging royal inst jail term

# Riots rack Indonesian province

LEWA PARDOMUAN  
Reuter

Jakarta — Several hundred youths rioted in the Indonesian province of Irian Jaya yesterday, setting fire to cars and a market and damaging buildings in a second week of violence.

Riots hit the town of Abeputra when the body of Thomas Wapai Wainggai, who died last week while serving a prison sentence in Jakarta, arrived in the provincial capital, Jayapura, for burial. "They burned cars and a market and damaged buildings," a spokesman said.

Residents said Jayapura, 2,000 miles east of Jakarta, was sealed off by the military. Offices were shut and frightened residents stayed indoors.

The riots broke out in Abeputra after protesters were stopped from heading to Jayapura, 12 miles away. Residents and the army said last night that calm had returned but soldiers continued to patrol.

"Tension has reduced but the military is still keeping a watchful eye. There have been

no reports of arrests or casualties," an army officer said by telephone from Jayapura.

An official at the Jayapura general hospital said that there were some injuries but there no reports of deaths.

Residents said the riots, by 300-400 people, were linked to Wainggai, who was sentenced to 20 years in jail for proclaiming an independent Melanesian state in Irian during a flag-raising ceremony in 1987.

Seventy people, along with Wainggai, were tried for subversion and in 1988 were jailed for between six and 30 years.

Wainggai, a US-trained anthropologist said to have died of heart problems on the way to

a hospital from Cipinang prison, just outside Jakarta, was believed to be in his sixties.

His Japanese wife was sentenced to six years in jail and has since been released, but 21 others are still in detention.

Residents said the rioters, mostly students, wanted to take Wainggai's body to the university before it was taken to his family home. "He was a teacher at the university and they wanted to take him there before he was buried," one resident said.

Last week the Irian towns of Timika and Tembagapura, where Freeport Indonesia operates one of the world's largest copper and gold mines, were rocked by riots by disgruntled tribespeople frustrated at not benefiting from the development in Irian.

Diplomats said Wainggai was believed to have had close links with the separatist Free Papua Movement (OPM), which is fighting for an independent Irian Jaya. OPM rebels have been holding 11 hostages, including six Europeans, in the forbidding jungles of Irian since 8 January.



Photograph: Muchtar Zakaria

# Abortion clinic killer faces life in prison

JOHN CARLIN  
Washington

John Salvi, 24, was found guilty

yesterday of murder after a Massachusetts jury turned down a defence claim that he was insane when he went on a shooting rampage at two Boston abortion clinics on 30 December 1994, killing two receptionists and wounding five others.

Salvi, who says he believes abortion is part of a worldwide conspiracy against the Roman Catholic Church, faces life in jail after convictions on two counts of first-degree murder and five counts of assault with intent to murder. There is no death penalty in Massachusetts.

Salvi's defence did not question the police version of the facts of the case, but contended that at the time of the killings he was prey to paranoid schizophrenia. Some of the evidence appeared to support the insanity plea. Witnesses testified that as Salvi fired 10 bullets into

one of his victims, he cried: "This is what you get! You should pray the rosary!"

Before the trial started Salvi repeatedly disrupted hearings, insisting he be granted an opportunity to make a statement to the media about an anti-Catholic conspiracy in which he said, the Freemasons and Ku-Klux-Klan were involved.

The prosecution successfully argued, however, that Salvi had carried out the killings with clear premeditation and was fully alert to the fact that what he was doing was illegal and wrong. Witnesses said that he was seen practising at a shooting-range the day before his rampage.

Salvi's father said his son had been a normal healthy child, but late in his teens became strange and withdrawn, spending long hours closeted in his bedroom reading the Bible. Salvi's lawyers said his crime had been triggered by the murders of four Catholic priests in Algeria on 27 December 1994.

week the Review received papers from lawyers for the Korean government initiating defamation proceedings.

But more decisive, Mr Cheesman believes, was the book he has been working on: an unofficial biography of Mr Kim focusing on the most controversial rumours which billion around the charismatic President. He admitted he has no documentary evidence for the most serious allegations.

But, based on interviews with former and serving politicians and aides and officials, the book will make embarrassing al-

legations about the funding of Mr Kim's 1992 election campaign and about the avowedly Christian President's private life.

The past few months have been a critical period for President Kim: as well as the trials of his predecessors Roh Taek Woo and Chun Doo Hwan, on charges of corruption, mutiny and treason, his New Korea Party faces parliamentary elections in a month's time which could rob him of control of the National Assembly.

Mr Sohn said: "This present action is not aimed at the for-

ign press, with whom we enjoy excellent working relations. The action we have taken is a legitimate recourse of a kind acceptable in any civilised country."

Until this year, no correspondent had been expelled for professional reasons since the days of military dictatorship in the 1980s.

"The screws have been tightened in the last couple of months," said Mr Cheesman. "It is anti-everything that the new Korea is supposed to stand for: a Third World mentality of worrying what the foreign press says about it."

# Seoul bars British journalist who parodied president

RICHARD LLOYD PARRY  
Seoul

In an apparent toughening of its attitude towards the foreign media, South Korea has rejected a request by Jeremy Hanley, Minister of State at the Foreign Office, to reinstate a British journalist expelled after writing articles poking fun at President Kim Young Sam.

Earlier this month Mr Hanley asked Gong Ro Myung, the Foreign Minister, to reconsider the case of Bruce Cheesman, who works for the *Australian Financial Review*. On 26 February,

after nine years working in Seoul, his application for a new visa was rejected by the Justice Ministry.

Despite lobbying by diplomats, a government spokesman said the decision was "irreversible" and Mr Cheesman would not be allowed to work again in South Korea.

No official reason has been given, but Sohn Woo Hyun, director-general of the foreign media division of the Korean Overseas Information Service, said Mr Cheesman had violated immigration regulations by doing research while visiting the

country as a tourist, and had "repeatedly gone beyond the bounds of what we consider sound journalistic practice. He repeatedly made false and defamatory allegations about the government of Korea."

Mr Cheesman insisted his visits as a tourist were made years ago and that what really rattled Seoul was his personal criticism of President Kim and members of his family.

Chief among the government's complaints is the case of the presidential Buddha. Last year Koreans were shaken by a series of disasters, including

the collapse of a bridge and a store in Seoul in which more than 500 people were killed.

A Buddhist paper reported rumours that Mr Kim, a Christian, had ordered the removal of a Buddha statue from the garden of the presidential palace. This — the rumours went — had angered the heavens.

The President's men denied the Buddha had been moved. The *Financial Review's* joke account, complete with cartoon, and citing inside sources, provoked fury. Mr Cheesman was hauled in for the latest in a series of official scoldings. Last

week the Review received papers from lawyers for the Korean government initiating defamation proceedings.

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## IN BRIEF

Car bomb kills six  
in Algerian city

Palestinian offensive

Troops burned alive

Camp crackdown

Tiger attack

Democracy dies

PATRICK COCKBURN  
al-Fawwar camp, Hebron

In a few days Mariana Farahneh will watch Israeli engineers pack explosives into the walls of her house in al-Fawwar refugee camp, south of Hebron, and blow it up. At the moment, she is living with 10 of her children and grandchildren in a white tent donated by the Red Cross under a tree just in front of the house, the door and windows of which are sealed with sheets of corrugated iron.

The reason for the demolition is that on 25 February her son, Ibrahim, boarded the Number 18 bus on the Jaffa road, in

Jerusalem and detonated a bomb, killing himself and 25 passengers. Israel has a policy of destroying the houses of the families of suicide bombers.

Hanad Farahneh, the eldest of Ibrahim's brothers, said warily they were waiting for their appeal to be turned down: "It is a military order. They are going to demolish the house."

Mahmoud, another brother, who worked as a teacher, said: "None of the family knew what Ibrahim was going to do."

Both brothers were released from jail last week, so the Israeli army presumably accepts that this is true.

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painted house, built into the steep rocky hillside on which stands al-Fawwar, a dusty camp which is home to 6,000 Palestinians.

Mrs Farahneh, who came here in 1948 from the village of Agur, in what is now Israel, says her family built it four years ago after saving for 30 years. She accepted that its destruction was assured.

It is likely that a man willing to die would be deterred by such measures.

On Sunday, Shimon Peres, the Prime Minister, told his Cabinet that when he was defence minister in the 1970s, house demolitions and deportations were effective. Of course, this was before the cra-

of the suicide bomber or even the Palestinian intifada. Other Israelis have doubts.

Shulamit Aloni, a left-wing minister, recalling that Baruch Goldstein, an Israeli settler from Kiryat Arba, killed 29 Palestinians in Hebron in 1994, said: "No one can explain to students in schools why Baruch Goldstein's house was not demolished, while today so many houses are destroyed."

The same argument was made again and again in the main street of al-Fawwar. "Our blood is cheap but theirs is expensive," said Bassam Nahash, a 25-year-old student at Hebron university, who was

unable to get out of the camp. Until last weekend no food was allowed to enter.

"For thirteen days we weren't allowed to open a window or go in the streets," said Mahmoud Abu Hashash, an elderly man who said he could not feed his large family.

Most of the men in al-Fawwar were unemployed day-labourers who had worked in Israel in agriculture or construction. They said they did not think that the four suicide bombs which killed 62 people in the past month had helped the Palestinian people as a whole. But the collective punishments had left them bitter.

People in al-Fawwar live lives of such a deprivation at the best of times that collective punish-

ment is unlikely to deter them. It may even be that the government does not believe that it will, but wants to be seen by voters to be striking back. Blowing up houses makes dramatic television pictures. Yaron London, a journalist writing in the *Yediot Ahronot*, says Palestinians will react to collective punishment in the same way as Israelis. "I believe there is no basic difference," he writes. "Demolishing Dr Baruch Goldstein's house and starving the Jewish population of Kiryat Arba would not prevent another Jewish zealot from mowing down innocent Arabs. On the contrary."

There are an estimated 100 million anti-personnel mines scattered round the world and they kill an estimated 20,000 people a year. Twenty-four countries have called for a total ban, as have the UN Secretary General, the European Parliament, the Organisation of African Unity and the Pope.

Last week the Netherlands renounced the use of mines and France recently prohibited their production and export.

Britain and the US have proposed a ban on the grounds it would be ineffective with so many mines already in circulation and because anti-personnel mines have a role as defensive weapons provided their positions are accurately recorded.

But last week the Chairman of the US Joint Chiefs of Staff, General John Shalikashvili, ordered a review of the US military's position. He said he was "inclined to eliminate all anti-personnel land-mines".

Yesterday British diplomatic sources played down his words, saying the US was unlikely to change its view that properly used, land-mines were legitimate weapons of war and that the State Department was likely to oppose any change.

At the end of last year the UN's review conference on in-

human

weapons failed to agree a ban on anti-personnel mines, although it did agree a ban on laser weapons designed to damage the human eye.

The conference is due to meet again next month and British diplomatic sources said they would press for tighter restrictions on the use of mines and also for any new mines to be made so they would self-destruct after a certain period.

The Red Cross, which backs a total ban on the manufacture, transfer and use of anti-personnel mines, and other groups say self-destructing mines are unreliable and a ban is the only solution. "It's an all-or-nothing position, really," the Red Cross said.

The British government does not agree. "We haven't gone hell for leather for a complete ban," a diplomatic source said.

"In any case, you won't get anywhere with the countries who are the real problem. It's no good having a plough conference of countries who don't do any harm anyway. What we're looking for is practical improvement."

Any ban would only affect anti-personnel mines, and not bigger, anti-tank mines.

Anti-personnel mines are designed to maim, rather than kill, and have resulted in large numbers of amputees in Cambodia and Africa. They are particularly dangerous to children and animals.

Though proper military procedure demands that mines be laid in marked minefields, most of the people who use them - including the former warring factions in Bosnia - do not always bother.

In the early Seventies, he recalls: "I went up and down that street trying to get the merchants to do something with their storefronts... Even then they were giving up."

## international

## US shift isolates Britain on land mines

CHRISTOPHER BELLAMY  
Defence Correspondent

Britain looks increasingly isolated among Western countries over its opposition to a total ban on the manufacture and export of anti-personnel mines after signs that the US might shift its stance and back the ban.

There are an estimated 100 million anti-personnel mines scattered round the world and they kill an estimated 20,000 people a year. Twenty-four countries have called for a total ban, as have the UN Secretary General, the European Parliament, the Organisation of African Unity and the Pope. Last week the Netherlands renounced the use of mines and France recently prohibited their production and export.

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## Bomber's kin await Israelis' revenge

PATRICK COCKBURN  
al-Fawwar camp, Hebron

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## Jordanian to challenge 'royal insult' jail term

ROBERT FISK  
Beirut

The most vociferous Jordanian opponent of the Middle East peace process is to appeal against a three-year prison sentence imposed on him in Amman's State Security Court on Sunday for slandering King Hussein and Queen Noor.

One of his lawyers told *The Independent* yesterday that Laith Shubellat, a prominent trade unionist and engineer, would challenge the military court's verdict on constitutional grounds.

Mr Shubellat, who has already served four months in jail, condemned Queen Noor for

gesture of victory. "Of course he was happy," a friend of the family said yesterday.

"He thinks that his struggle is a battle for the Jordanian constitution and that he can fight more strongly when he is condemned in the courts."

The Palestinian scholar Edward Said and the Egyptian journalist Mohamed Heikal had both offered to be witnesses for Mr Shubellat at the Amman court; the three judges turned them down.

Three weeks ago Mr Shubellat told me that King Hussein had personally warned him of his possible imprisonment and had alluded to a previous trial in which he was condemned to death - and then commuted - for allegedly importing weapons. The state prosecution witness later said that he had been blackmailed by Jordanian intelligence into giving evidence.

According to Mr Shubellat: "He [King Hussein] said: 'Do you want what happened to you before to happen to you again? Because this time I won't interfere. But what can I say? I must be free to say what they keep me in prison, it will become a nightmare for the government.'

Shukri, the Islamic Jihad leader, was assassinated several months after boasting that his organisation had staged a double suicide bombing that killed at least 20 Israeli soldiers at a bus stop near Tel Aviv.

Earlier this month, Mr Shubellat said he condemned the killing of innocents in Israel but that the slaughter came about "because Palestinians cannot express any more what they want except in such acts".

The trade unionist, who was re-elected head of the engineering union while in prison, has visited Bosnia and spoken regularly for a constitutional rather than an absolute monarchy in Jordan. But his real crime appears to be his opposition to the peace accord.

"They are not going to succeed," he said last month.

They are going to be imposed... Jordan is now under the Israeli sphere; it is being taken out of the Arab world. We are to be used against Iraq and maybe Syria. We are mercenaries. But we must rebuild Arab relations."

If King Hussein has his way, Mr Shubellat will have plenty of time to develop his theories - in a prison cell.

The appeal means that Mr Shubellat's words of condemnation - made in an lecture at Irbid university in November - will be repeated again, along with his assertion that the Arab-Israeli peace process is both unjust and unworkable.

American and British diplomats - as well as an Amnesty International official - were in the court on Sunday when Mr Shubellat was sentenced, averting a verdict he received smiling and raising his right fist in the air in a



Baywatch beefcake: Competitors vie for position, and a job as a lifeguard, in a race at Newport Beach, California

Photograph: AP

## Tinseltown in search of lost lustre

TIM CORNWELL  
Los Angeles

The boulevard of broken dreams is closed to traffic. Workers on Los Angeles' multi-billion dollar and much-maligned new subway system tunnelling beneath Hollywood Boulevard have been stalled by a series of sinkholes.

But the subway has fanned new hopes that Hollywood can rebound from decades of neglect. By 2,000, three stations are planned to link it with the tourist centre at Universal Studios and central Los Angeles.

The mayor, Richard Riordan

pledged recently to revitalise old Hollywood. It is cast as one of the city's greatest wasted assets.

Six million tourists a year, the mayor claimed, come to pick out the stars' names on the pavements and linger over their imprints in the forecourt of Grauman's Chinese Theatre.

Most of them take one look and never come back. Hollywood is littered with stunning art deco architecture and memories of the silver screen. Flowers mark the spot where the late George Burns planted his cigar in the concrete; Disney runs premieres at the newly restored El Capitan theatre; and there are plans to reopen The Egyptian, where the first film pre-

mire was held for Douglas Fairbanks Jr's *Robin Hood*.

But an atmosphere of grunge infects the area. Almost every day, police say, they are visited by a stricken tourist family who have been robbed at gunpoint or had their car looted of all their possessions. The side streets are home to more than a dozen gangs, drug dealers, and prostitutes who haunt the cheap motels. Sardi's, at Hollywood

cultivating the estimated 300,000 residents, more than half of them Hispanic. But businessmen and property owners are determined to take the mayor at his word, fervently believing they are owed a piece of the rebounding economy in Southern California. They believe anti-littering laws have cut down the prostitutes' trade - female on Sunset, male on Santa Monica.

Mayor Riordan is up for re-election this autumn and busy

city grants have helped pay a private security firm to patrol Hollywood Boulevard and establish "beautification" teams.

Community groups have planted palm trees and surveillance cameras around some of the most notorious drug markets and claim to have cut off a thriving cocaine trade.

"People are going to be amazed in five years," says Leroy Gubler, of the local chamber of commerce. "All the things are in place now. Once it happens, it will be like wildfire. We have the name Hollywood, something that no one else in the world has."

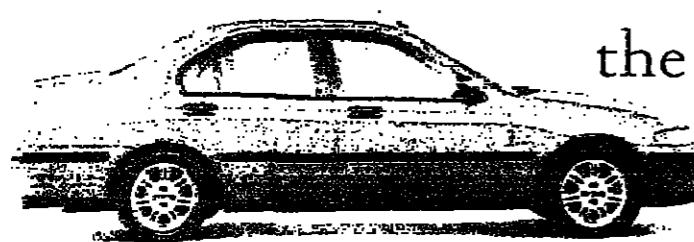
Ken Schessler, the 68-year-old author of *This is Hollywood*, is not convinced.

"There's nothing they can do. They don't want to. Nobody cares," he said.

Though he fell passionately in love with the area when he first moved to Los Angeles in 1954, he bitterly remembers lost landmarks, such as the Brown Derby restaurant, where Clark Gable proposed to Carole Lombard, destroyed by a fire blamed on squatters.

In the early Seventies,

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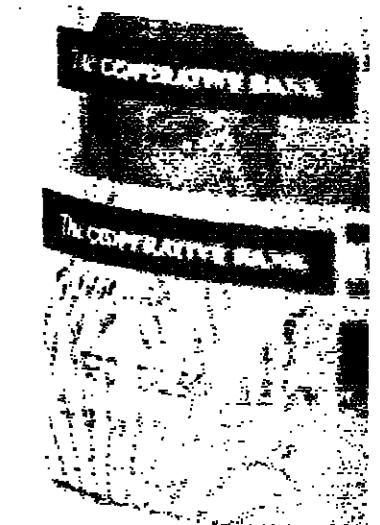
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**After Maastricht:** The Inter-Governmental Conference, starting next week, must rebuild public confidence

# People's will turns against EU ideals

SARAH HELM  
Brussels

The last few years have not been a happy time for the EU. Faith in the Union has evaporated across the continent. The thin blue lines on the graphs of public opinion began to dip around 1990, and have zig-zagged steadily downwards. Today half Europe's citizens think their country has benefited from EU membership.

It is a bad time for the EU, and it coincides with the moment when the 15 member states are set to rewrite the founding treaties, setting a new direction for the millennium.

A Europe's leaders gear up for her Inter-Governmental Conference, to be launched in Turin on 29 March, they are conscious the crisis of public confidence in the EU is worse than ever. They talk constantly of getting "closer to the citizen" and of making Europe "reality". But there is little reason to believe the IGC will win back support for integration. Rather, it is likely to confuse and alienate people further.

Only five years ago, John Major welcomed the results of the last IGC with a triumphant "Game, set and match." No one would claim to regard the Maastricht treaty with that degree of satisfaction today. Horst Teltschik, who helped negotiate Maastricht as an adviser to Helmut Kohl, the German Chancellor, admits Europe's political leaders were wrong not to seek greater public support for the treaty at the time.

"We were too self-confident. We believed we had the support of the people," Mr Teltschik said. "It was a mistake. We should have explained what we were doing and why we were do-

## BUILDING EUROPE

ing more than we did. The goals were important and it was important to explain them."

Opinion polls only hint at the depth of disillusion; there are many other indicators. There is a growing tendency to blame Brussels for economic ills and loss of cultural identity. The media in many member states run more and more anti-EU stories, both mythical and true, suggesting there is a public appetite for Euro-scepticism.

Ignorance about the way that Europe really works suggests there is apathy and confusion. Only 20 per cent of Europeans have heard of the forthcoming IGC on Europe, although it is billed as a historic watershed.

The British have always had their very British opinions on Europe. But for decades most continental citizens took the whole project for granted. Until the 1990s there was, as the pollsters' jargon describes it, a "permissive consensus" con-

cerning Europe in most of the member states. The public accepted that integration, in general, was a good thing, and that it was being promoted to prevent war and produce economic benefits. People were largely content to leave the job of constructing Europe to the political elite without asking too many questions.

In the boom years of the late 1980s, general approval reached a peak. The prospect of the single market raised high hopes, while the dynamism of Jacques Delors, the former commission president, helped to promote an impression of progress. The collapse of the Soviet Union added to a sense of long-term security.

The downturn in support began in 1990 and 1991, before the signing of the Maastricht treaty, which subsequently became the scapegoat for the collapse in public confidence. In retrospect, many in Brussels ascribe the new disillusion to growing fear about the effects of the single market, and suspicion that hopes had been falsely raised about its benefits. When the Maastricht debate gathered pace in 1992, Europeans were already in a sceptical mood. Recession, and growing unemployment, made things worse.

This scepticism deepened when they started to contemplate the new reform programme. Maastricht, more than previous European reforms, raised questions about the principles of EU membership. The 1992 debate invited people to ask a fundamental question: what is Europe for? The treaty failed to answer the question, serving only to confuse. As a blue-print for European union, Maastricht was alienating and impenetrable. It was rejected in a Danish referendum and was almost rejected by the French.

Since 1992 the indicators suggest no return of public confidence in "Europe." Talk of seeking a new "European identity" has only served to focus minds on the lack of any such thing. Furthermore, Europe's attempts at harmonisation are blamed for destroying the identities of nations and regions.

The advocates of EU integration argue they are attempting to lessen the effects of "globalisation". But ordinary people see the EU as an instrument of that process. "People once felt they were members of a nation state. Now they feel that less and less,

but at the same time they don't feel like members of something called 'Europe'. They may not have asked before: what is Europe for?"

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After the Maastricht disappointment, it is not surprising that Europeans now recoil against the prospect of another round of abstruse debate over their future. This IGC could run into the second half of 1997. "It is asking a lot of people to follow all of this. We are seen to be in a state of permanent revolution," said a senior official in the European Commission. "People are tired of it. They just don't want to know. They seem to be saying: 'Just let us be left in peace'."

Setting their agenda for Turin, EU heads of government have shown they are aware of these concerns. More user-friendly concepts are being emphasised, such as greater "democracy" and "openness". Subsidiarity, the principle under which power ought to be exercised at supra-national level only where

it is absolutely necessary, is once again being emphasised.

And the European Commission, the unelected bureaucracy, seen as the real bogey in the public mind, is threatened with loss of status and power in the IGC.

There are also growing signs that leaders are frantically looking for ways to buy public acceptance for the new IGC programme, with vague promises of policies for jobs and social protection, a greater role for national parliaments and greater attention to local sensitivities.

So far the public has had little reason to believe the views of the "citizens" will be taken into account, and the omens do not look good. One of the most marked findings of recent opinion polls was that seven out of 10 Europeans believed the next IGC ought to be put to a referendum in their country. Without a dramatic upswing in the public mood, the results of such referendums are unlikely to be positive.

Washington has lodged a complaint with the Geneva-based World Trade Organisation and the sides are due to hold conciliation talks later this month. This accord clearly will not help. It is inopportune," said a senior British official.

US producers say that thanks to the ban they lose \$100m (£60m) a year in exports. But the overwhelming view of EU ministers yesterday was that relaxation at this stage would unleash a consumer backlash, triggering a potential beef-market collapse. The incidence of BSE or "mad-cow disease", particularly in Britain, has led to a big decline in consumption: legalising hormones would provoke a further drop of up to 30 per cent, according to European Commission studies.

The Irish Agriculture Minister, Ivan Yates, whose country's economy is more dependent on beef than any other EU member, reflected the general mood.

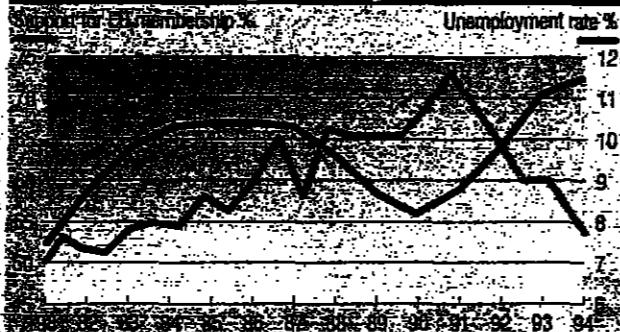
"We are determined to resist US pressure to do anything which would undermine consumer confidence in red meat."

News analysis, page 13

Happier days: John Major at the Maastricht summit in 1991. Five years on, public faith in Europe has plummeted

Photograph: Brian Hains

## Euro-scepticism grows as joblessness rises



The downturn in support began in 1990 and 1991, before the signing of the Maastricht treaty, which subsequently became the scapegoat for the collapse in public confidence. In retrospect, many in Brussels ascribe the new disillusion to growing fear about the effects of the single market, and suspicion that hopes had been falsely raised about its benefits. When the Maastricht debate gathered pace in 1992, Europeans were already in a sceptical mood. Recession, and growing unemployment, made things worse.

This scepticism deepened when they started to contemplate the new reform programme. Maastricht, more than previous European reforms, raised questions about the principles of EU membership. The 1992 debate invited people to ask a fundamental question: what is Europe for?

The treaty failed to answer the question, serving only to confuse. As a blue-print for European union, Maastricht was alienating and impenetrable. It was rejected in a Danish referendum and was almost rejected by the French.

After the Maastricht disappointment, it is not surprising that Europeans now recoil against the prospect of another round of abstruse debate over their future. This IGC could run into the second half of 1997. "It is asking a lot of people to follow all of this. We are seen to be in a state of permanent revolution," said a senior official in the European Commission. "People are tired of it. They just don't want to know. They seem to be saying: 'Just let us be left in peace'."

Setting their agenda for Turin, EU heads of government have shown they are aware of these concerns. More user-friendly concepts are being emphasised, such as greater "democracy" and "openness". Subsidiarity, the principle under which power ought to be exercised at supra-national level only where

## Priest fights church homosexuality charge

Nicosia (Reuters) - A Greek Cypriot priest accused of homosexuality by his church will today answer its charges while a Nottingham-based priest has decided to sue the archdiocese for libel or naming him in the affair.

Archimandrite Pangratis Meracis, 49, denies allegations of moral impropriety. The Not-

tingham priest described on the charge sheet as a homosexual is Iakovos Savva, who has yet to be known through his lawyer that he intends to bring libel proceedings.

The threat of legal action against the church is the latest twist in an affair that sparked some of the worst rioting in years in Nicosia, when Mr Meracis was accused of being a homosexual by his church before being dispersed by riot police.

Two members of the Holy Synod have publicly agreed with lawyers who criticised the procedure against Mr Meracis, a taxi driver, as a violation of church rules. The two men who testified against him and a massage parlour owner, have since moved to Romania.

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## Serbs stage burning exit from Sarajevo

Unfortunately, the Italian commander is under orders to turn these miscreants over to the Bosnian Serb police. The arsonists are then released.

So it is that Nato tries to keep order in the last hours of the Serb presence in Sarajevo.

Ljiljan Lukic wept as she watched the flames roaring through the rafters of her building, despite the best efforts of her elderly neighbours who ran between their kitchens and balconies hurling water at the fire. They managed, without the help of the Sarajevo fire department, to extinguish the flames and save the building.

"We were planning to stay, but you see what is going on - Hitler did not do what these people are doing," Mrs Lukic said through tears. "It's like a child's game," she added.

She had heard that some men had started the fire in one of the flats, but she had not seen them. "I would have strangled them - they would not have had to go to the Hague [war crimes tribunal]," she said. "There were children in this building."

Mirko Katic, the Serb mayor, told his men. There was a huge explosion: the fire set in a house nearby by Serbs who are angry about their losses had finally reached the ammunition dumped there.

Similar bangs punctuated the afternoon in Gribavica yesterday, its desolate landscape of grim towerblocks wreathed in the smoke of fires set by gangs of enraged Serbs.

Police from the Muslim-Croat Federation are due to take control of the suburb at 6am today, marking the final re-unification of Sarajevo under the Dayton peace plan.

The dispossessed are wreaking their revenge. Italian Nato troops in Gribavica have spent the past few days rescuing civilians from burning buildings, and arresting Serb men for arson and possession of explosives.

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# Why the mafia is into your beef

The EU ban on growth hormones for cows has created a lucrative black market, reports Katharine Butler

**I**t might seem an unlikely product for the mafia to be interested in. Drugs, sex and gambling are its usual terrain. But in Europe, particularly in Belgium, the mafia is into beef.

It is not the cows themselves that blackmarketeers are interested in so much as the hormone drugs that enhance meat production. The use of hormone drugs in meat production has been outlawed in the European Union since 1989. But that blanket ban has helped to create a lucrative and well-organized black market.

The organised criminal rings that control this trade are prepared to go to disturbing lengths to circumvent the ban. Murder, for a start, is not

beyond them. A year ago hormone dealers put out a contract on Karel Van Noppen, a 43-year-old Belgian government vet and chief meat inspector who led a relentless crusade to stamp out hormone abuse.

His widow Mieke recalls the death threats the phone calls in the night, the warnings to ease off. "I did not try to stop him. It was his whole life, I knew he would not stop" she says.

Van Noppen's associates believe he was close to unmasking the masterminds of a network spanning Belgium and Holland and probably extending into France when he was silenced. He was shot at close range just yards from his front door.

Van Noppen was not alone. Another Belgian vet had his front door peppered with bullets. An MEP who has campaigned against the hormone trade has had a petrol bomb and a hand grenade hurled at him. Other vets have been beaten up.

Hormone dealing is thought to be the second most lucrative organised crime racket in Belgium after drugs.

Hormone compounds are relatively easy to manufacture. When injected into animal muscle to artificially stimulate growth, hormones can yield increases in profits for intensive producers by large margins, anything from 10 per cent to more than double the normal profit of about £100 per animal.

The Belgian authorities reacted to the murder by putting in place tougher controls, spot checks on farms and abattoirs, and setting up a dedicated police unit to attack the mafia. A new law has brought in fines of up to £510,000.

But the killers have not been traced and the Belgian agriculture minister, Karel Pinxten, admitted recently that the mafia's "hard core" is as active as ever.

Consumer groups, spurred by a wave of public revulsion following the Van Noppen murder, have been monitoring meat in the shops and claim that as much as 25 per cent of beef on sale contains hormone residues. Butchers and super-

market chains are increasingly turning to organic producers or suppliers able to guarantee hormone-free meat.

Public concern has also been mounting in Ireland, which is believed to be a key target for drug dealers operating out of Belgium and Holland.

In 1992, the Irish police seized a large quantity of banned growth hormones when they raided the home of a senior official in the Irish Department of Agriculture. Just last month a Tipperary cattle dealer, Danny Fanning, was shot, possibly by an IRA punishment squad, for trading in clenbuterol, the so-called "angel dust". Eleven cattle in Fanning's meat plant were

found with traces of the drug in their bodies. Peter Dargan, a former president of the Irish Veterinary Union, triggered alarm recently with a damaging claim that a quarter of Irish beef cattle is illegally hormone treated. The claim was emphatically denied by the Irish government, which says its controls show the figure is only around 3 per cent. But privately officials admit that the battle against purveyors of cocktails like "angel dust" and "jungle juice" is a long way from being won, despite harsh penalties ranging from fines of £100,000 to 10-year jail terms.

"We believe the mafia is small but it is effective. And you will always find a minority of producers ready to take the risk," said one Irish official. Some critics of the EU ban, reconfirmed and tightened by agriculture minister yesterday, despite British objections, argue that Brussels, by choosing to go against the scientific evidence, is playing into the hands of the illegal drug dealers by driving the trade underground.

Hormones are legal in the United States, Canada, Australia and New Zealand, so inevitably some European producers believe they can compete better with the help of anabolic steroids or similar substances.

Consumers could be at even greater risk, the argument goes, because users of illegal hormones are using unsupervised cocktails. They are also injecting them directly into the flesh of the beast to avoid detection, whereas formerly they might have been concentrated in the ear or animal parts not destined for human consumption.

Some veterinary medicines that are legal for treating respiratory conditions in horses and pets are also being abused as cattle growth promoters. Scientists agree that residues of these substances could pose alarming risks for human health but are now wondering if the mafia would find a market for them if the "safe" steroid hormones like oestradiol and progesterone were decriminalised.

## The making of a modern beef machine: how hormones make cows grow fatter



**What are growth promoters?**

In 1980, an Italian school boy allegedly started to grow breasts after eating veal that contained a synthetic hormone, diethylstilbestrol, which had been given to cattle to promote weight gain and increase the proportion of lean muscle. At the time of the scandal there were few controls on the use of hormone growth promoters in cattle within the EC. Within a year, the stilbene and stilbene derivatives were banned throughout the EC but there was no agreement on five other hormones. Three of them are already naturally present in cattle: oestradiol, progesterone, and testosterone; while two trenbolone and zeranol are synthetic analogues of the natural hormones.

The drugs fall into the same general class as the anabolic steroids whose human analogues have been abused by bodybuilders. The bovine equivalents increase the efficiency with which cattle converted feed to muscle. Because different countries were regulating the use of growth promoters differently, the Council of Agriculture Ministers decided in 1988 to ban all growth promoters completely. The EC also banned the import of meat produced by the prohibited method. In 1995, the Gatt Uruguay Round was finally implemented and the United States announced that it would regard the European Union ban as a priority to trade.

**The ear**  
Farmers (not vets) use an injection gun with a needle inserted into the cartilage at the base of the ear, and press the trigger to expel a small pellet into the ear. The pellet then acts as a slow release patch - like some long-acting human contraceptives - allowing a small amount of the hormone to enter the animal's bloodstream continually over subsequent months.

Text by Tom Wilkie

## DIARY

### Dr Ruth on sex and the sabbath

Dr Ruth Westheimer, the New York University professor best known for doing out sex therapy with lashings of chutzpah on her television show (below), has turned her attention to the Jewish sabbath. It is, she tells the forthcoming edition of the Jewish Quarterly magazine, "by design a deeply erotic experience".

For those who may have missed this association over the past few thousand years, she explains: "Making love on Friday night is a specific celebration of the unity of God's masculine and feminine aspects.... Almost every custom of Jewish sabbath observance facilitates our goal of lighting each other's fire and becoming entwined.... The lovers dine by candlelight. The meal begins with the sharing of wine... When they are ready to go to bed, the lovers almost can't help but do so in a highly seductive and seductive state of mind."

Dinner by candlelight, hands touching over the sabbath bread; how romantic! Dr Ruth's female interviewer to interject: "I don't quite see how Sabbath can be erotic. On Friday night, I see a very tired Jewish woman." Perhaps that tired woman has been taking Dr Ruth's philosophy to heart.

### Lightweight approach to crime policy

As the editor of the *Guardian* has endeavoured to repair that newspaper's reputation for misprints, I must assume that its report yesterday of the Lib Dems' spring conference is accurate, and we can expect an Orwellian police state if Paddy Ashdown comes to power.

### It's over Down Under

Poor Jack Cunningham, Labour's shadow heritage secretary, is having to burn the midnight oil rewriting the rewrite of his party's arts manifesto. The first rewrite occurred after his leader Tony Blair visited Australia and was much taken with the then Prime Minister, Paul Keating's 101-page policy for cultural regeneration, *Creative Nation*. This could be one of Labour's big ideas for the next election, Mr Blair told his team. And so Mr Cunningham set about beefing up the party's arts policy. Now that Australia's voters, with barely a thought for Mr Blair or Mr Cunningham, have swept Mr Keating (above) from office, our own Labour Party has decided that a policy associated with yesterday's man might not be such a good idea.



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### A heavenly way to go, pop-pickers ...

I doubt that Led Zeppelin intended the title of their classic rock song "Stairway To Heaven" to be taken quite as literally as the disc jockey Alan Freeman seems to have taken it. Sixty-eight-year-old Freeman, just two years away from being radio's first septuagenarian pop broadcaster, told BBC's *Pebble Mill* how he would like to make his final broadcast.

"I would like to think I can go on perhaps for another couple of years, and possibly have a fatal heart attack and go just like that, while I'm playing "Stairway To Heaven". I think that would be wonderful."

Unfortunately, fate has a habit of not granting us our dearest wishes. Beware a coronary mid-way between Kylie Minogue and the weather report.

### Screening out violence

Among the welter of "violence in society" articles that have followed Dunblane, I was interested to see Andrew Neil in the *Sunday Times* sounding off against violent films on television. He writes: "The violence on British television is less graphic than in the cinema, though the Hollywood 'splatter movies' shown at night on satellite television are a disgrace that no self-respecting parents should watch, much less let their children near."

Quite. I urge that he takes the matter up with the founding chief executive of Sky TV, Mr Andrew Neil.

### Unhealthy eating

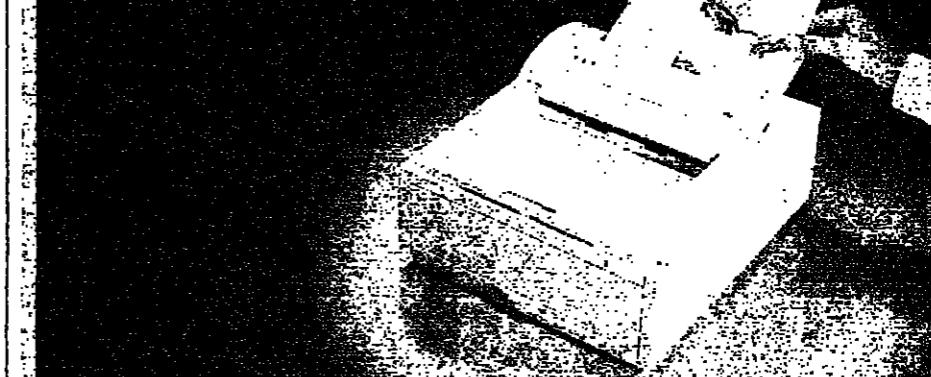
This sign spotted outside a *charcuterie* in Brussels may not help your appetite: "Buy British Beef here and you won't get better."

Eagle Eye

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## V-rated violence

From 1998, new American television sets will have to be fitted with a chip that should allow parents to censor programmes marked in advance by broadcasters according to a ratings system. The V-chip, as it has been christened, is now being promoted nearer home. The European Parliament has declared in its favour. The National Heritage Secretary, Virginia Bottomley, said yesterday she wants to evaluate it in the wake of the Dunblane killings. The maverick Liberal Democrat MP David Alton is threatening to amend broadcasting legislation unless she is quick about it.

This is a thorny area. Establishing the precise link between violence on television and violent behaviour is difficult. Even if we accept that there is a link, establishing a consensus on a ratings system would be tortuous. Agreement might be possible on the extremities of fictional violence, but then some of the most violent and horrifying films – *Seven*, for instance – do not show acts of violence, just some of the results. Beyond that, agreeing on acceptable standards of swearing and sex would be even more difficult.

Even more problematic is the way a V-chip would be quickly outflanked by technology and children's adeptness at using it. The technology of communications cannot be controlled. It respects no national boundaries, social codes or generational precedence. Young children can programme videos and dial up Web

pages at the outer limits of the World Wide Web with a skill that leaves adults in their wake. The new American law is already out of date. It may not cover the television cards that can turn a desktop computer into a television receiver; it does not cover the way television pictures are becoming available over the Internet.

But none of this excuses fatalism. It is adults who pay for their children's surfing habits on the Internet. Adults read *Radio Times*. It is adults who need to think more clearly about what is fit for viewing or downloading. Welcome efforts are already being made to make exploration of the Internet safer for children by using "system invigilators" that patrol the boundaries of zones which parents might judge unsuitable for children.

As for television, the V-chip can only be "another tool" in parents' hands, as Lady Howe of the Broadcasting Standards Council put it. It cannot substitute for the time and effort good media parenting require. What it ought to do, however, is open up a debate and help us to refine our thinking about suitability, about the kinds of violence that young viewers ought to be exposed to.

The V-chip only works if broadcasters have agreed a ratings system. One is needed, and one a lot more sophisticated than the existing 9pm "watershed" or the system cinema and video distributors use. That is going to be difficult, but it is high time a start is made.

## Tightening the net

Congratulations to Emma Bonino, for putting her head in the Cornish fisherman's den. The European fisheries commissioner's willingness to mend the EU's nets in public is a model other senior Brussels officials should follow. She made few converts on the quayside in Newlyn. But she said three things that are, broadly speaking, true. First, the EU needs a Common Fisheries Policy (CFP); second, it is in the interests of British fishermen to belong to it; third, the present policy has failed and needs to be reworked.

We need a European policy because fish wander. There is no point in protecting the adults in British waters if the piscine children and teenagers are being massacred in, say, Dutch waters. Purely national solutions do not work. The CFP is based on supposedly scientific limits on the number of fish that can be caught. The permitted annual catch is divided into quotas for national fleets. The size of those fleets is not restricted. In theory, at least, the least productive boats in a national fleet should be driven out of business and the industry should find its equi-

librium, with just enough boats catching just enough fish.

However, in practice, that does not happen. Governments pander to fishermen and inflate the catch levels recommended by the scientists. The policing of quotas and net sizes has been inadequate. British fishermen were rightly incensed by the recent European Court decision allowing member states to poach each other's quotas by registering fishing vessels in other countries ("quota-hopping"). This makes sense under single market rules, but it blows the CFP apart.

As a result of loopholes such as this, Europe has too many boats chasing too few fish. A more effective solution would be to impose a much stricter system of licensing on boats to restrict the size of fleets. This could be combined with a market to auction and then trade the licenses. This mixture of EU quota setting and market trading for licenses would be much more effective in preserving fish stocks and managing a more orderly contraction of the industry, thereby helping to limit the damage to traditional fishing communities.

## Pretty vacant, Pistols

Bill Grundy would be a happy man today. It was Grundy who made the Sex Pistols famous in December 1976. He interviewed them on a teatime television news magazine. They scowled and swore and despised him. His affronted impotence in the face of their disdain symbolised the shock felt by a generation of parents at the arrival of punk.

Were it not for the evident discomfort all those safety pins and ripped jeans caused the older generation, musically mediocre punk may never have taken off. But in part thanks to Grundy's evident displease it was irresistible for many young people. If you could shock your parents that much, it had to be worth doing.

Now the Sex Pistols are back, without the sadly departed Sid Vicious. You might think Grundy would be turning in his

grave. But you'd be wrong. The Sex Pistols are back because they are sad, middle-aged entertainers in need of a fast buck and all too happy to exploit the commercial opportunism of a record industry that 20 years ago they led a generation to believe they disdained.

At least the Rolling Stones and Status Quo have never made any pretence of their commercialism. That is part of what makes them such good acts. But the Sex Pistols? Can you imagine all those crashing chords, tuneless songs and pretentious words from people old enough to have negative equity, kids in private schools and personal pensions. They'll probably turn up to the gigs in Volvos.

No, this is Bill Grundy's revenge. For the Sex Pistols have returned as Bill Grundy: well, almost.

## The truth ... or the French translation



MILES KINGTON

already formed within the eight buds along each pruned vine stem.

"The warm wet winters and springs we have been having these past few years do not help eliminate the various nasty creepy-crawlers or fungi that menace our vineyards. Fortunately, vigneronnes are inspired by the eternal cycle of hope and faith inherent in any kind of agriculture: every year the crop is going to make the best *millesime* this century!"

"Air the vines a little to allow the full flavours and nose to develop. Don't ice the bottles, just bring them straight up from your unheated cellar or pantry, uncork, and, as they say in the southern US. Enjoy! Order now and stock up for all those spring festivities. Easter egg-hunt lunches, god-daughters' confirmations, nephews' weddings... Or just relax after a hard morning digging the

herbaceous border with a well deserved glass of delicious Burgundy..."

The language in which this letter is written is one that no English person on earth has ever written or spoken. It is translator's English, a language that is so tied to the language of origin that a perceptive reader could immediately identify which foreign language is being translated from, even if words such as *vigneron* and *millesime* had not been left untranslated.

This letter from the Marquise is, beyond any doubt, a literal translation from French. Only the French can so easily go into overdrive in the first sentence of a letter. "The earth slowly comes to life again, the green spikes of our daffodils show streaks of yellow, the vines are 'crying' from their final pruning."

In English it sounds ridiculous, but in French it sounds impressively ornate and semi-poetical. Or, to put it another way, ridiculous.

Of course, what is obvious about this letter is that it has been translated, not by a native English-speaker, but by a French person.

A native English-speaker would never say that insects are "menacing" our vineyards. "Menacer" is the common word in French, but in

English "threaten" is the common word and "menace" is slightly archaic. Nor, I think, would we use a joke word like "creepy-crawly", nor would we say that farmers "are inspired by the eternal cycle of hope and faith". Nor would we leave untranslated words such as "vigneron" and "millesime". A *vigneron* is a wine-grower, so why not say so? Does it sound more impressive in French?

And it is assumed that we know what a "millesime" is, but I have to admit that I didn't know the word. So I looked it up. And it means "the year of manufacture" or "vintage". The French don't have a word as generally useful as vintage. Our word "vintage" obviously covers everything covered in French by different words like "cru" and "millesime" and "année de belle récolte" but the French don't know this, so they prefer to use their own word "millesime" even though we don't know what it means.

Put it another way. A proper English translation of the original French would go like this: "Dear customer, Well, spring is here again and with any luck we'll have a good harvest this year, so I am enclosing our list of this year's prices..."

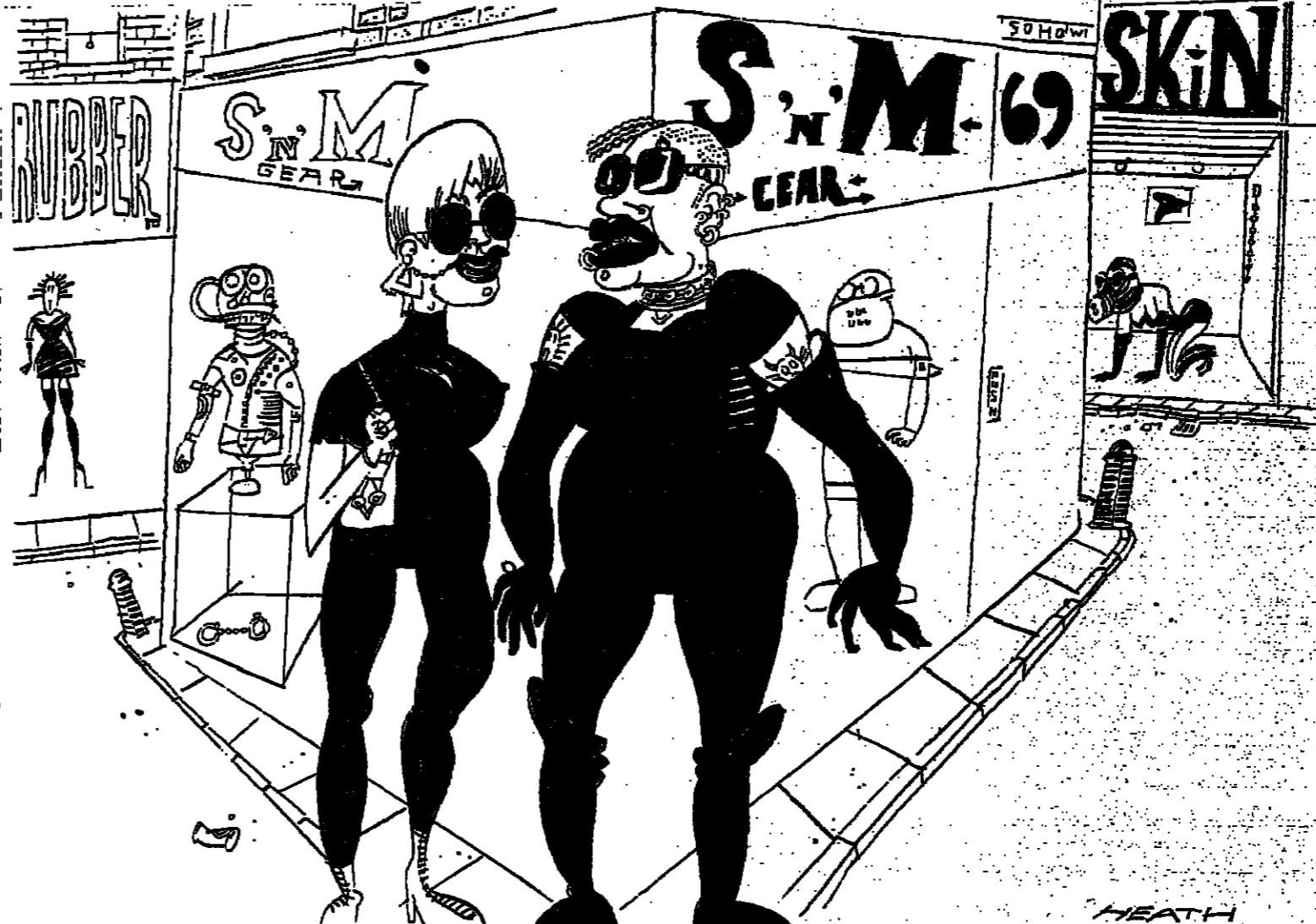
Sir: The present discussion on spheres of influence in Europe ("Silk Curtain" cuts Europe in two once more", 16 March) strikes the Baltic states with horror and trepidation. Under no circumstances should the West agree to the creation of any artificial boundaries in Europe to placate Russia's military. This is a wise move, so why not say so? Does it sound more impressive in French?

It is not Russia's prerogative to dictate to nations how they should evolve and it would be much better for her to seek solutions to her own deep internal problems.

Between the wars, at the time of their independence, the Baltic peoples achieved remarkable prosperity, which was lost during Soviet rule. They must have the right to decide on their own whether or not to join the EU or Nato.

PETERIS TERMANIS  
London SW16

Post letters to Letters to the Editor, and include a daytime telephone number. (Fax 0171-293 2856; e-mail: letters@independent.co.uk) Letters may be edited for length and clarity.



"One of my clients is a politician, and all he wants to do is come back to my place, and I have to ask him for a referendum!"

## LETTERS TO THE EDITOR

### After Dunblane: questions for the media and an answer to critics of gun clubs

Sir: Do we really need to have every minute detail of the Dunblane tragedy emblazoned across numerous pages of our newspapers? Others may be desensitised enough to cope with every gory detail. I struggle simply with the bare facts.

Every child I see I worry about. I have refused to watch TV programmes whose theme is murder, shooting and violence, for how can I watch these "entertainments" when families in Dunblane are living through the reality?

Are you reporting responsibly? Or are you indulging in a journalism which lowers itself to sensationalising violence in a society which already encourages people to fill their minds with these horrors?

KATHRYN WIGGINS  
Reading, Berkshire

Sir: The horror at Dunblane seems a prime example of an event where there is tension between public and media interest in the circumstances and the right to privacy of those caught up in the tragedy.

On such occasions would it not be feasible for the media to agree to pooling arrangements whereby the news-gathering was shared, reducing to a reasonable minimum the numbers of visiting journalists and photographers?

BERNARD PAYNE  
Chester

Sir: Amid the shock generated by the Dunblane killings, we should not make the mistake of seeing these as a rare eruption of incomprehensible evil.

Those of us who work in mental health services are faced daily with patients whose problems have their origins in cruelty and sexual exploitation experienced in childhood. Time and again, one hears stories of appalling, remorseless abuse. Childhoods are destroyed and adult survivors carry a bitter legacy of pain, betrayal, guilt, loss of self-worth and repression. In some, the emotional consequences are intolerable and the result is death by suicide. Such evil takes place every day in every part of this country, often behind facades

PHILIP COOK  
Thornton Heath, Surrey

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MICHAEL GREEN  
Wokingham, Berkshire

Sir: I was disgusted to read in Colin Brown's report (16 March) that "senior Conservative Party figures were dismayed at John Major's joint visit with Tony Blair to the area [Dunblane]" and that "Conservative sources were worried because they felt it gave Mr Blair a political bonus".

Conservatives were named, so that they may be forever vilified by decent British citizens of all parties?

JOHN CRISP  
London SW1

Sir: Jeffrey Richards asserts ("BBC's voice of two nations", 13 March) that the success of two apparently different BBC dramas, the gritty *Our Friends in the North* and the romantic *Pride and Prejudice*, points to a country with polarised tastes and attitudes. He looks back to the Fifties and a Reithian BBC which "cemented the nation with a unitary voice".

It is not far-fetched to maintain that a broadcasting monopoly could happily bond a class-ridden society made up of avaricious consumers, jealous trade unionists and angry teddy-boys? The Fifties reality, of course, was an unhappy compromise of viewers completely unspoilt for choice and sitting around what were often BBC-only television sets watching programmes of little interest.

Were the audience profiles for

*Our Friends and Pride and Prejudice* different? Both were historical dramas; one began with sex and the promise of more to come, the other captivated viewers with the eventualities of sex. I suggest that far more viewers than Professor Richards might imagine were riveted to both.

GEORGE FISHER  
Broughton, Cumbria

Sir: Dr John McMullen is right to remind us that unfair dismissal protection was introduced to offer people a "civilised" way of dealing with a problem, rather than through industrial action ("Size really doesn't matter to workers", 13 March).

Removing employment rights

from millions of people cannot be

the best way of relieving job insecurity, or producing a "feel-good factor".

The consequences for social cohesion, when firms are able to generate rising profits with fewer people, have not yet been fully explored. Working arrangements are increasingly so diverse and flexible that the time has clearly come for a fundamental review of employment legislation.

TONY MORGAN  
Chief Executive

The Industrial Society  
London W1

Sir: Your report on the "disease" of obesity (13 March) describes the Body Mass Index (weight in kilos divided by height in metres squared) and says a person with an index over 25 is considered overweight, and over 30 obese.

For the Bruno/Tyson fight on Saturday, Bruno weighed in at 111 kilos with a height of 1.91 metres – an index of 30.43. Tyson, too, has an index above 30. Are these superb athletes obese?

Clearly other factors are important in making medical judgments about body weight.

CHARLES LOVING  
Newport, Isle of Wight

Land

Reclaim cities

Sir: Our town and city centres already have too many shops and offices ("The one-stop shopper comes one step closer", 13 March). The current business exodus gives an excellent opportunity to return the centres to their proper role – a place for people to live, not just to visit between 9am and 5pm.

F. WILSON  
Broxbourne, Hertfordshire

LEN PARRICK  
Leeds

Pad  
Big Bro  
FIRE APPALY FAIR



## Bad news continues as BAT tries to reassure investors

**DAVID USBORNE**  
New York  
**TOM STEVENSON**  
London

A flood of bad news from around the world continued to dog BAT yesterday even as a hastily convened analysts and investors meeting in London was being reassured about the impact of a landmark legal settlement by US tobacco rival Liggett last week.

It emerged yesterday that

Brown and Williamson, BAT's US-based subsidiary, is under investigation by a federal grand jury over claims that it knew about an operation to smuggle its cigarettes into Canada to avoid Canadian taxes.

In a separate development in India, BAT was also hit yesterday by an unexpectedly harsh court order fining its 32 per cent Indian subsidiary ITC to deposit 3.5bn rupees (\$101m) pending an appeal against an Sbn rupee fine for tax evasion.

As this bad news flowed in, industry watchers in London were told by a BAT lawyer that Liggett's settlement of a US class action, which alleged that tobacco companies deliberately manipulated nicotine levels in cigarettes to encourage addiction, would not change the state of its own litigation.

The Liggett settlement had sent tobacco company share prices plunging last week as investors feared that the industry's long-maintained united front

against legal attacks had started to crumble. BAT fell further yesterday, closing down 12p at \$88p.

The lawyer restated BAT's view that the Liggett settlement was simply a sideshow in an attempt by Liggett's controlling shareholder, Bennett LeBow, to gain control of the second largest American cigarette maker RJR Nabisco.

The latest US probe, which could result in the filing of criminal charges against Brown and Williamson executives, is

one of five grand jury investigations into the tobacco industry currently being pursued under the auspices of the US Justice Department, the New York Times said yesterday.

The newspaper reported that the five investigations could lead to jail terms for some of the industry's most senior executives and that several of them had already taken steps to hire high-priced criminal defence lawyers.

The sense of siege among the cigarette manufacturers was

also compounded by a separate report in the Wall Street Journal that a former scientist at Philip Morris, the US's largest cigarette maker, had testified that the company knew about the addictive qualities of nicotine and manipulated nicotine levels. Philip Morris, which saw its share price plummet by \$5 in early trading yesterday, has consistently denied such claims.

In an affidavit delivered to the Food and Drug Administration this month, the scientist, Ian

Uyless, who left Philip Morris in 1989, reportedly said that the company "routinely targeted and adjusted" nicotine levels in cigarettes to match the "optimum range" preferred by smokers.

Of the five grand jury investigations, it is thought that the probe into Brown and Williamson is likely to conclude first. The jury is studying claims that the company was aware of the alleged smuggling operation into Canada, where cigarette duties are much heavier than in

the United States. Early last year, the headquarters of Brown and Williamson, in Louisville, Kentucky, were searched by federal agents. Executives have denied the company had any knowledge of smuggling, however.

Any criminal convictions involving tobacco industry executives of any of the main companies would embolden the US government in its efforts to label cigarettes as drug products and regulate their sale.

## Merging societies may get protection from predators

**JOHN EISENHAMMER**  
Financial Editor

The Government sought yesterday to kick-start mergers in the beleaguered building society movement by proposing restrictions on hostile takeovers. Presenting the draft Bill on building societies, Angela Knight, the Treasury Minister, suggested ring-fencing societies which have decided to merge against outside bids for up to 3 years.

"We want to make sure that building societies feel they can continue to do their traditional mergers. At the moment they feel this not to be practical, because as soon as they announce a merger, they get into the firing line for a predatory takeover," she said.

The Government will be looking for responses from the market to its suggestions and the draft legislation, over the coming three months. Introducing the Bill, Mrs Knight, who described herself as a "fan of building societies", said it aimed to provide a permissive legal framework instead of the prescriptive legislation that currently governs the movement. "I think what the Bill does is ensure building societies have a level playing field, and can do more while remaining mutual," she said.

The need for reform has been pointed up by a recent rush to convert, which has seen three of the four biggest building societies announce their intention to float on the Stock Exchange next year. When the Halifax/Leeds,



Angela Knight: Proposals to restrict hostile takeovers

Alliance & Leicester and the Woolwich finally convert, just 30 per cent of mortgage assets will remain with building societies, a dramatic transformation from their predominant position just five years ago.

The Government has been concerned that unless it loosened the legislative reins, remaining societies would find it too difficult in the highly competitive retail financial services sector.

The draft legislation contains two so-called "nature limits", designed to keep building societies concentrated in their traditionally core business. They must raise 50 per cent of funds from retail deposits and they have to 75 per cent of their lending in the form of home loans. But beyond this, societies will be pretty much free to do as they wish, with the backing of their members.

Entitled "mutuality for the next millennium" the legislation will "remove barriers to what so-

societies can do and strengthen bonds with members," said Mrs Knight.

The suggestion to ring-fence merging societies from outside predators responds to strong calls from within the movement to prevent a "duck-shoot". But the government's suggestion yesterday of a moratorium provoked criticism that members would be prevented from knowing potentially better offers from outsiders.

Mrs Knight was vague about whether the proposal would prevent a bank, for example, even telling members of the merging building societies what deal it would offer after the moratorium expired. "It would be one-year ring fence from when the merger is announced, to give a quiet period for the societies' consultation of their members to take place," she said.

Mrs Knight also suggested that if a society becomes the target of a rush of account opening on speculation that it will convert, it might be able to suspend the shareholding status of new accounts for a short period.

Mrs Knight said she would "push hard" to get the draft Bill into the Queen's Speech at the start of the next session of Parliament in the autumn.

The Labour Party yesterday said the Government must act urgently to put the reforms into law before the general election.

Comment, page 17



Peter White: The decision to move out of estate agency comes as part of a cleaning-up process before flotation

## A&L pulls out of estate agency

**JOHN EISENHAMMER**  
Financial Editor

The Alliance & Leicester building society said yesterday it was pulling out of the estate agency business, and announced a £40m write-off that took the wind out of profits. Peter White, chief executive, said he hoped to have sold or closed the 70 agencies by late summer.

"There was no way we were going to make money out of it. We just had to take a tough decision," he said.

The decision to get out of estate agency is part of the process of cleaning up the balance sheet for A&L's planned flotation on the stock market next spring. The goodwill in the chain, con-

centrated in East Anglia and the east Midlands, is £25m, and a further £15m coming from redundancy and closure costs.

The write-off held pre-tax

last year virtually flat at £287m, as A&L faced very

tough conditions in two of its

core business markets: home

lending and Grobank, the group's

corporate banking side. The

mortgage market became in-

creasingly competitive in 1995,

with a wider range of discounts,

fixed rates and special offers

than ever before.

A&L achieved its highest-

ever market share of total UK

net mortgage advances at 8.2

per cent, as against its "normal"

share by market weighting of 5

per cent. But Mr White con-

ceded that earnings on this increased share were slim. "The margins are very tight on new business. But we do not launch anything that does not make a profit," he said.

Grobank, which is the country's biggest telephone banking operation, was also operating under "very tough conditions", he said. The personal banking section fared the best, with a 57 per cent increase in pre-tax profits to £63m. But Grobank's corporate money transfer business saw profits inch up to £60m from £63m in 1994.

Easing the pain of the estate agency write-off to some extent was an unexpected sharp drop in the bad debt provision to £3m, from £29m in 1994.

"These are the lowest bad debts we have had, for a long time, thanks to recoveries of commercial loans previously written off," said Richard Pym, group finance director. The cut in bad debt provisions accounted for much of the 15 per cent increase in group pre-tax operating profits to £527m.

"Overall, the results are be-

low expectations. Even though

the improvement in bad debts

is extremely good, it means an

operating level, the profit

growth has been small," said

Rob Thomas, analyst at UBS.

Unlike most building societys, 40 per cent of Alliance profits are from non-traditional activities. This is one reason why it is anxious to gain bank status.

## PSBR heads towards £3bn overshoot

**DIANE COYLE**  
Economics Editor

Government borrowing is likely to be £2bn to £3bn over target this financial year, limiting Chancellor Kenneth Clarke's scope for tax cuts in the next budget.

The most serious slippage in the public sector finances is alarmingly slow growth in government revenues. Tax receipts are likely to be up to £1bn lower than forecast at the time of last November's budget - and £70m lower than the level predicted in the previous budget.

Spending by Whitehall is also running ahead of plans and could overshoot by about £1bn, unless some expenditure can be clawed back successfully this month. This could be difficult in a month when departments have usually rushed to spend as much as possible before the year-end.

Andrew Smith, shadow Chief Secretary to the Treasury, said: "Public borrowing is still running at a very high level, reflecting weakness rather than strength in the economy."

The Treasury said borrowing remained on a downward trend, a conclusion backed by most

City analysts. "There is now some clear improvement in the public finances this year compared to last," said Simon Briscoe at Nikko Europe.

However, many thought future borrowing would also overshoot the Budget plans, thanks to tax cuts announced last November taking effect and the 4 per cent pay awards in the public sector. Kevin Darlington at Hoare Govett said borrowing would continue to shrink but would remain above the Maastricht ceiling of 3 per cent of GDP.

Eddie George, Governor of the Bank of England, defended the Bank yesterday against the charge that it is "congenitally pessimistic", writes Diane Coyle. The Bank had to err slightly on the side of caution, he said. "In order to build up policy credibility against the backdrop of the UK's unhappy track record."

It had also been less over-pessimistic about inflation than many other forecasters, he said in a speech to the Swedish

shortfall, possibly due to lower spending on consumer goods liable for VAT.

Spending was up 4.3 per cent in the 11 months to February, above the Budget forecast of 3.8 per cent for the year as a whole.

Debt interest payments have been higher than expected, at £2.5bn since last April compared to £1.9bn at the same stage last financial year. Local authorities are also likely to be in the red. They made a monthly debt repayment of £75m in February, and have repaid £0.5bn in 11 months. However,

the fact that most people think forecasts are either right or wrong meant setting interest rates according to forecasts of the economy two years hence could "weaken the operational credibility of policy". The Bank could not afford to consistently overdo its caution.

Despite these difficulties, the inflation target was better than the alternative. Shadowing and then joining the Exchange Rate Mechanism had been a "doubter" in his view.

The Governor conceded that

they have borrowed £1.6bn on average every March to use up the remainder of their annual budget. If this pattern is normal this year, they are unlikely to meet the target of a £0.1bn debt repayment for the full year.

Economists said that on last month's trends, the full-year Public Sector Borrowing Requirement (PSBR) would be £31.32bn, compared with a target of £29bn set in the November budget. This is much smaller than the Treasury's average £1.6bn error in forecasting the next year's PSBR.

Mr Juppé said that France Telecom would be required to evolve to compete "on an equal footing with its competitors" - and that a Bill enshrining the necessary changes would be laid before the French parliament this spring.

Mr Juppé said that the state would retain a majority stake in France Telecom with employees preserving their status as public employees and the benefits of secure employment and pensions.

However, the government angered one of the main trade unions, Force Ouvrière, by accepting the principle of an independent regulatory authority outside both France Telecom and the government.

The independence and strength of the regulator has been of great concern to BT and other public sector pension arrangements, sparked off four weeks of strikes and protests and paralysed the national rail network.

As part of the price of a return to work, the government had to abandon the whole SNCF restructuring plan.

A recent report from the prime minister's office found that the "special status" of France's public sector was not incompatible with EU deregulation. However in spite of yesterday's statement, it remains unclear whether privatisation has been ruled out completely or merely postponed for the foreseeable future.

There is also uncertainty as to whether the pledge to preserve the public service status of employees will extend to those recruited after the law is changed.

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## COMMENT

**Takeover rules are usually designed to protect the rights of investors, but Angela Knight's half-baked suggestion appears, by contrast, designed more to protect building society directors'**

# Muddled thinking in the building societies Bill

**T**here is something false and hypocritical about the Government's sudden concern for that endangered species, the building society. Belately and half-heartedly, the Government seems to have decided there is something worth protecting in the mutually owned building society tradition. Even as a piece of well-meant conservation, however, the building societies Bill looks a masterpiece of muddled thinking and irrelevance.

Certainly the Government's "Mutuality for the next Millennium" proposals might better have been presented by Virginia Bottomley than Angela Knight. As Heritage Secretary, Mrs Bottomley is at least meant to tend those threatened corners that everyone wants to keep forever England. Given the alarming rate at which societies have been abandoning mutuality and opting for conversion to quoted company status, the Heritage secretary's time may yet come.

For the moment, though, it is Angela Knight at the Treasury who is hoping to hold back the tide by offering societies which soldier on a bit more freedom of manoeuvre and some protection from the big, bad world of competition outside. The Government wants the stalled process of mergers between building societies kick-started again in the hope that this might produce some powerful mutuals to revitalise the movement. The trouble is that any society that announces a merger is as likely as not to be picked off by predator banks offering tempting windfall profits to their members. Hence the sug-

gestion of a one-year moratorium for merging societies, shielding them from predatory advances so they can consult their members in peace and quiet.

But just how is this meant to work in practice? Mrs Knight clearly does not know. If the Bradford & Bingley and Northern Rock, say, were to announce a merger, does this mean Barclays would not be allowed to tell members what sort of alternative deal they might get? Takeover rules are usually designed to protect the rights of investors. Mrs Knight's half-baked suggestion appears, by contrast, designed more to protect building society directors.

Retail financial services in this country have undergone dramatic change in recent years. Competition is intense, and increasing. To survive, building societies must be able to compete on the market's terms, by offering the best deals. This Government, of all, should know that. In the end, it will be market forces, not legislation, that shapes the future of this industry. That would be true even if this draft Bill makes it onto the statute books, which looks a long shot given the likely timing of the next election.

## Unlocking value at Pearson

Pearson is a fine company in many respects

With some wonderful assets. Like all big companies, however, it occasionally has em-

barrasments. Right now there could be a big one developing in its midst. It is called Mindscape. However good Pearson's general record in acquisition making might be, this one looks like turning into a real howler.

On the whole, Pearson's acquisition strategy has been well thought out. It has moved impressively to extend its television programming, notably through the acquisition of Thames television, Grundy Worldwide, and ACI, all of which have added to profits. Publishing has been expanded through the \$580m acquisition of HarperCollins' educational publishing operation, injecting better balance into its range of products for schools and universities.

However, Mindscape, a publisher of CD-Roms, cartridges and floppy discs, for which Pearson paid a handsome £12m in 1994, falls into an altogether different category.

This was always meant to be a long term acquisition, a bet on the future. Nonetheless it was also meant to at least break even last year. That is certainly what Pearson told the City to expect. As it is, Mindscape lost £6.9m.

When Pearson carefully warned analysts as recently as December 1995 that operating profits were likely to be below City estimates, it uttered not a word about Mindscape.

The house line is that returns of unsold stock in the new year were higher than expected, and that the bottom fell out of market for floppy discs. Tight pricing in the original equipment manufacturing end of

the CD-Rom market contributed to the malaise, Pearson says. There is clearly more to it than that, however. Evidence of this is in the team of external consultants who are now to comb through the operations and make recommendations for change.

Pearson went to great lengths yesterday to deny persistent reports in the press that Granada had considered mounting a bid for the company last year. But the fact of the matter is that Granada did; it was not an invention of the press. Pearson seems as determined to ignore this unpalatable truth as the persistent losses at Mindscape.

Pearson management is clearly very sensitive about the possibility of a takeover bid. And no wonder. There is much value to be unlocked in a company with such a range of attractive assets.

Management's case is hardly helped by the fact it clearly overpaid for Mindscape. Unless Pearson itself does some of the unlocking (and admittedly recent management restructuring suggests it may do) then someone else will do it instead.

## Encourage the French – up to a point

Hackles rise whenever it gets out that a French company has its eyes on a British public service. The idea of Generale des Eaux taking over railway services to Brighton – among other Sussex gems (as

reported on our news pages – will have seen some commuters choking over their kippers. It is only a few years since the scandal of the season was the French move into the water industry, which culminated last year in the takeover of Northumbrian Water by Lyonaise des Eaux.

But the reality is that the arrival of the French has had a positive impact on the water industry – witness the 15 per cent price cuts agreed as a condition of the Northumbrian takeover – and there is no reason why they should not be of benefit to the rail industry. Lyonaise and Generale are members of a French breed that appear to have no UK equivalent – large utility companies specialising in public works and construction projects.

There is no British company of equivalent size and capitalisation to these two giants, with the resources to invest on a comparable scale in public works projects and services. Generale employs 215,000 people and has turnover of £18bn, of which nearly a third is outside France.

Given the capital resources of the group, it is likely to be at least as good an owner of a railway franchise as the management buyout teams that are currently over-represented among the bidders for the businesses on offer. The French deserve to be encouraged – but only up to a point. There is a long way to go before French service industries are as open to outsiders as Britain's railways are now.

**Media groups:** Publishing and leisure company reveals unexpected losses at its US CD-Rom publisher □ Rival looks to global on-screen expansion

## Pearson remains takeover target after mixed results

**MATTHEW HORSMAN**  
Media Editor

Pearson, the media, publishing and leisure company, yesterday failed to shed its reputation as a potential takeover target, unveiling mixed results from its range of publishing, entertainment and television assets.

Despite posting pre-tax profits up 23 per cent to £365.1m in 1995, the company, publishers of the *Financial Times* and a leading television programmer, detailed unexpected losses at its US CD-Rom publisher, Mindscape. It also had to rely on an extraordinary profit of £131m from its sale last year of a stake in BSkyB, the satellite broadcaster, to shield a 5 per cent drop in its underlying performance.

The shares rose 7p on the day, to close at 664p. Henderson Crosthwaite reiterated yesterday its breakup estimate of 59 a share.

Analysts were of mixed view on the results. Neil Blackley, at Goldman Sachs, said: "I like the company. It's got some tremendous brands and you can see those shining through."

But other analysts were concerned about the losses of £6.9m

at Mindscape, the US publisher of games and "infotainment" titles on CD-Rom, cartridges and floppy discs, bought for £12m nearly two years ago.

Last December, the company warned analysts that operating profits would be down year on year in 1995, although no mention was made of Mindscape.

"Clearly, the results at Mindscape are unacceptable," Frank Barlow, chief executive, said. The company has hired the consultants McKinsey to undertake a review of the operations and recently announced the appointment of John Moore, formerly head of Penguin US, as chief executive.

The losses were linked in part to a high rate of return in the new year of product shipped in December for the all-important Christmas season.

"What we must do now is a detailed market study to decide where we should concentrate," Mr Barlow said.

The company's television operations, which include Thames Television and Grundy Worldwide, the independent producers, both performed strongly. Despite criticism last year of the £175m paid for Grundy, Greg

Dyke, chief executive of Pearson Television, told analysts that the acquisition had been a great success.

Westminster Press, the company's regional publishing arm, was also a bright spot, helped by a cost-cutting programme. Lazard Brothers, the investment bank, also turned in a superior performance, and stands to do even better this year once it takes in fees due on its work for Granada on the £3.8bn Forte bid.

Mr Barlow said that future acquisitions were likely to come in the television and media sectors, where management attention has been concentrated in recent years.

A recent restructuring has led to firmer lines of management control and the appointment to the main board of key executives, including Mr Dyke from Pearson Television and John Makinson, formerly managing director of the *Financial Times*, who replaces James Joll as group financing director on 1 April.

Mr Barlow dismissed reports, first published in the *Independent*, that Granada had contemplated a break-up bid for Pearson last year.



Media blues: Frank Barlow, chief executive of Pearson, described the results at Mindscape as "unacceptable", adding: "What we must do now is a detailed market study to decide where we should concentrate"

## GEC confirms Simpson job

**RUSSELL HOTTON**

GEC yesterday ended months of speculation by announcing that George Simpson, the Lucas chief executive, would replace Lord Weinstein, who has ruled the defence and electronics giant for 33 years.

Lord Weinstein, 71, will stay on as honorary chairman, an appointment that was greeted with a mixed response from analysts who fear he may be tempted to interfere.

But Mr Simpson, 53, whose Lucas contract does not expire until March 1997, is thought to have secured assurances from the GEC board about his right to manage.

Lord Weinstein's role will be a non-board post, though the company said GEC would "have available the benefit of his long experience and profound knowledge of the company."

In a short statement, GEC said that Mr Simpson would join



Staying: Lord Weinstein will be honorary chairman

"as soon as he is free to take up the appointment", giving Lucas time to find a replacement to ensure an orderly transition.

Speculation about Mr Simpson's future has been a cloud over Lucas's shares and is likely to remain so until uncertainty about his successor is clarified, analysts believe. It is possible

that GEC may have to buy out the remainder of Mr Simpson's Lucas contract.

GEC has consistently underperformed the market in recent years, and investors have long wanted a new managing director to re-energise the diverse group. One GEC insider said: "There has been a lot of marking time around here while we wait for things to change at the top."

Although Mr Simpson has been the frontrunner to succeed Lord Weinstein, his appointment is not without its critics who consider that he may find the transition from the motor industry difficult. However, an analyst said yesterday: "George Simpson is a very good industrialist and a good strategic thinker. And what GEC needs now is a new strategy."

Mr Simpson joined Lucas two years ago from British Aerospace, where he was deputy chairman and ran the

Rover group before it was sold to Germany's BMW. Evidence of the improvements being made at Lucas should be revealed in today's interim results.

Some analysts believe that Mr Simpson's inside knowledge of BAe, a long-rumoured GEC bid target, was a key to his appointment. GEC favours forging a national "champion" defence group with BAe to compete with the giant US organisations. However, BAe has been at the forefront in pursuing cross-border mergers as part of the consolidation in the European defence industry.

Mike Styles, analyst at Credit Lyonnais Laing, said Lord Weinstein's role as useful for Mr Simpson, as there are few people that truly understand the whole company. "It is reassuring for the market that Lord Weinstein and his contacts will remain," he said. GEC shares were down 5p to 359.5p, while Lucas fell 4.5p to 192p.

## IN BRIEF

• Japan's trade surplus shrank for the eighth month running in February due to strong growth in imports. The surplus fell to \$6.13bn compared with \$11.31bn a year earlier. The bilateral deficit with the US fell 30 per cent to \$3.4bn during the same period. Imports have been rising for more than two and a half years, as Japanese firms have increasingly switched to supplying the domestic market from lower-cost plants in South East Asia. In the past 12 months, for example, the value of semiconductor imports has risen 68.8 per cent and office equipment by 59.2 per cent.

• Argos, the catalogue retailer with a £231m cash pile, is rewarding shareholders with a special dividend of 42p per share, equivalent to £127m. This is in addition to the 15p ordinary dividend which has been increased by almost 30 per cent on the previous year. Argos chief executive Mike Smith announced the plans along with impressive results for last year, which saw profits increase by 24 per cent to £134m. The company is looking at opening branches of Argos in the Netherlands. It is considering acquisitions though refused to comment on whether it might buy H Samuel, the jewellery chain being sold by Sainsbury.

Investment Column, page 18

• Ian Lang, Trade and Industry Secretary, agreed to a two-week extension of the Monopolies and Mergers Commission deadline to 4 April for reporting on two proposed acquisitions in the electricity industry: PowerGen's for Midlands Electricity and National Power's for Southern Electric.

• Eastern Track Renewals has been sold to a management buyout team - Fastline Rail Services - backed by Apax Partners and Hambros Bank. The York-based business is one of the main track renewal contractors to Railtrack, and also specialises in on-track machine repair and overhaul. John Watts, minister for railways and roads, said: "This sale demonstrates again that the railway industry is prepared to invest in its own future."

• Zeneca plans to sell its US-based DNA identification laboratory, Cellmark Diagnostics, to Lifecodes Corp for an undisclosed amount. Cellmark is the largest non-governmental forensic DNA testing laboratory in the US and the only one with accreditation from the American Society of Crime Laboratory Directors.

• Helene, the clothing manufacturer, has received an approach from a management team led by Robert Godfrey, a director of Helene, which may lead to the purchase of two subsidiaries - Just Jamie and Paulrich and Rogge & Co. The purchase is expected to be in excess of £20m.

• Qantas and British Airways will integrate their operations in Bangkok and Singapore. Qantas said that the new arrangements involve joint offices in both cities, as well as merged sales teams and operations. A spokesman said: "While maintaining our individual brands and identities, we believe our partnership has created the strongest overseas airline presence in the region and will provide coordinated services and better value for our customers."

• Club Mediterranee said last year's protests over French nuclear tests cost the company around £4m in lost revenue. However, the company said it was getting back to a "normal situation".

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## SkyePharma in Swiss coup

**MAGNUS GRIMOND**

SkyePharma, the fledgling pharmaceutical group formerly known as Black & Edington, is expected to more than quadruple its stock market value after buying Jago Holding, a Swiss drug research company, in a deal worth up to £305m. Jacques Gonella, owner of Jago, will be paid £105m in cash, £22.9m in shares and could pick up £167m over 10 years, under the earn-out terms of the purchase.

The acquisition comes just four months after the former marquee-hunting group reversed into Kryton, a Gibraltar-based pharmaceuticals company controlled by the chairman, Ian

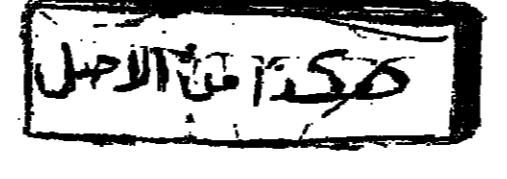
Gowrie-Smith, in a £37m deal. The shares, quoted on the Alternative Investment Market, were suspended at 9p yesterday. Over the next 10 days, SBC Warburg is leading a "bookbuilding" placing and open offer to raise £135m from investors at home and overseas to finance the initial cash payment for Jago plus working capital. Existing holders can subscribe at the rate of between 105 and 125 shares for every 100 held after a one for 10 capital consolidation. The final price will depend on demand, but is expected to be in the range of 84p to 100p a share. It is hoped that the shares will be relisted on the main market in April.

Founded in 1983 by Mr Gonella, Jago claims a list of blue chip pharmaceutical companies for its drug delivery technologies, including Eli Lilly, Procter & Gamble and SmithKline Beecham. The main one is Geomatix, which

controls the release of drugs in tablet form, obviating the need to take several doses in a day or increasing the ability of an active ingredient to target a particular part of the body. By combining the technology with existing drugs, Mr Gowrie-Smith believes this could extend the protected life of pharmaceuticals coming off patent over the next six years. The market for these so-called generics is expected to rise from \$4.3bn to \$14bn over that period.

The company already has three Geomatix-linked products on the market in the cardio-vascular (high blood pressure) and anti-inflammatory therapeutic areas.

• Club Mediterranee said last year's protests over French nuclear tests cost the company around £4m in lost revenue. However, the company said it was getting back to a "normal situation".



## THE INVESTMENT COLUMN

Edited by TOM STEVENSON

## Hammerson gets into shape

First the bad news. Hammerson's share price is 23 per cent lower than two years ago and less than half the level at which it entered the 1990s. The property company's net assets, which ended 1993 at 384p per share, finished last year at 370p. The dividend, cut in half in 1992, nudged up yesterday but by a less than breathtaking 0.5 per cent.

The good news, however, is that the owner of the Brent Cross shopping centre looks in better shape now than at any point since Ron Spinney took over a hopelessly overextended, unloved world-wide property investor in May 1993. Since then he has cleared out the dross, reduced debt and focused on a handful of markets where Hammerson sees growth.

That good news was just beginning to become evident in full-year figures reported yesterday, which showed a modest 5 per cent rise in rental income translated into a 22 per cent underlying rise in operating profits from £52.7m to £64.3m, a more meaningful figure than the reported number in our table which includes lumpy disposal profits.

Hammerson is now roughly in the shape Mr Spinney always envisaged. About half the assets are in the UK with a quarter each in Europe and North America. By asset class, the split is about 60/40 in favour of retail over offices.

That balance makes sense with Hammerson's portfolio revealing a wealth of growth potential from the shop assets compared with probably years of stagnation from offices. The retail assets are currently being rented at about 7 per cent below market rates, suggesting good growth. Offices, by contrast, are on average pulling in 30 per cent more than Hammerson could achieve with replacement tenants. Fortunately, most leases still have a long stretch to run, so the income is safe.

In an era of subdued inflation, the challenge for property companies is to generate extra value for shareholders by realising cycles better than their peers, trading properties cleverly, buying the right stock and managing assets astutely.

Most property companies, grown complacent on years of rising prices, do not have a clue how to do those things. Hammerson does, as it has clearly shown with its shrewd purchase and development of 99 Bishopsgate, a bombed-out office block in the City on which the company has already made a handsome turn. With luck it will do the same with its most recent purchase, Birmingham's ugly Bull Ring centre. Mr Spinney has laid a good set of

foundations. All he needs now is for the green shoots of the property recovery to take hold. In the meantime, a 17 per cent discount to forecast net assets of 400p, at yesterday's share price of 342p, provides a solid floor.

### Bunzl's double act well received

When Anthony Habgood and David Williams took control at Bunzl in 1991, the rival paper groups Bowater (now Rexam) and Arjo Wiggins Appleton were sneezing and Bunzl was on the floor after a 1980s spending spree. After nearly five years of treatment by the duo, the roles have been reversed. Both the big groups are now suffering at the hands of the paper cycle, while Bunzl's distribution businesses have ridden out recent wild fluctuations in pulp (and plastics) prices.

Yesterday, the group announced pre-tax profits up a third to £106m, right at the top of expectations, and was rewarded with an 8p rise in the share price to 208p.

The medicine administered by

Messrs Habgood and Williams has been to dump around a third of the business and concentrate on four areas, ranging from paper and plastic plates and the like to protective plastic caps for engineering parts, where it has leading positions. As a result, the group has seen net margins rise from 4.3 per cent in 1992 to 6.1 per cent last year, when return on capital topped a highly respectable 20 per cent, even after taking account of goodwill on acquisitions.

The problem for management now is how to maintain the momentum of growth. Profits have risen at a faster rate than sales since 1992, showing compound growth of 25 per cent over that period, some eight points ahead of the expansion in the top line. But fatter margins will be harder to come by from here on. The building supplies business, the last of the remaining serious underperformers, went in mid-1994.

Mr Habgood is confident that growth can continue and points to new business won in the key US market so far this year. Contracts with Supervalue, a grocery distributor, will alone be worth in excess of £400m over four years. But to get things going, Bunzl may need to use its minimal 11 per cent gearing to buy something bigger than

the £3.7m of bolt-on acquisitions announced yesterday.

Despite a lowly forward rating of 12, based on profits of £116m this year, the shares may mark time until there are signs of further action. Hold.

### Argos sidesteps high street woes

Few retailers had a better 1995 than Argos. As the catalogue retailer sidestepped the high street woes of many rivals, the shares rose by around 80 per cent and finished the year by soaring into the FT-SE 100.

Yesterday's figures showed why. Profits were 24 per cent higher at £124m on sales up 14 per cent to £1.4bn. This was in spite of higher costs caused by an extended print run of the company's catalogues and rising paper prices which made them more expensive to produce.

Argos's secret has been its low profile, no frills operation, which has caught the mood of the budget-conscious 1990s. It has also plenty of scope for expansion.

The company now has 367 stores including 56 superstores. Another 31 will open this year. Argos Call and Collect stores which carries no stock but guarantees delivery within 24 hours is proving successful in its three store trial. The trial of First Stop, which concentrates on lower priced consumer durables is to be tested in another location before roll out. Like-for-like sales also look promising. They rose by 7.7 per cent last year while the margin edged ahead from 7.3 per cent to 7.4 per cent. The trend has continued into the current year with like-for-like sales up 8 per cent.

The big question hanging over the shares was what management might do with the company's £231m cash pile.

After the failure with the Chestermans furniture deal, an acquisition would have been frowned upon by the City. The £127m special dividend is a safe option, though it will hit profits due to lower interest receivable next year.

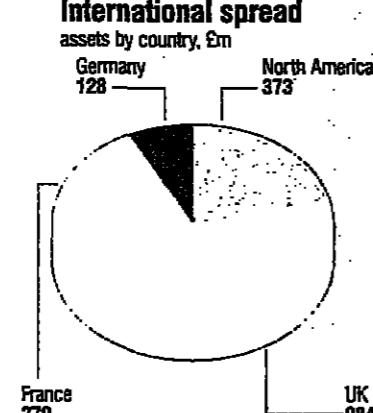
Analysts have downgraded accordingly and BZW now expects profits of £13.5m this year. With the shares down 2.5p to 630p yesterday that puts them on a heady forward rating of 22. After last year's spectacular run, they now look fully valued.

#### Hammerson at a glance

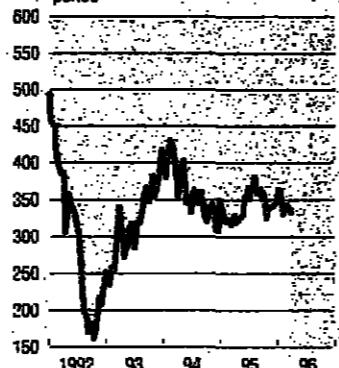
Market value: £960m, share price 342p

Trading record	1991	1992	1993	1994	1995
Turnover (£m)	114.2	125.2	117.6	120.1	125.5
Pre-tax profits (£m)	-41.1	7.9	39.8	107.5	57.7
Earnings per share (pence)	32.9	2.7	13.9	32.3	33.0
Dividends per share (pence)	20.5	10.0	10.0	10.0	10.7

#### International spread



#### Share price



## John Willcock CITY DIARY

## Carling finds a whole new ball game in the NHS



Carried off: Will Carling's commercial activities now include a health-care appointments company

Now that Will Carling is no longer captain of the England rugby team he can concentrate even harder on his commercial activities. How fitting that, having been carried off the Ireland game on Saturday with torn ligaments, our Will should this Wednesday be launching a health-care appointments company.

Match Healthcare Services has been formed to place specialist medical and nursing staff within NHS trusts.

A press hand-out declares: "The Eve Club on London's Regent Street, made famous by the affairs of the Hon Mr John Profumo and Miss Christine Keeler, will again play host to an affair of a different sort."

"This time the star player is Will Carling, and on a considerably less scandalous venture!" Nudge, nudge, as they say. Let's hope some parades are on hand if he falls over again.

On the same day Will's former team-mate Rob Andrew will be trying to beat the longest world place-kick record as part of the 1996 Property Awards. Property agents are obviously a rugby mad lot - Rob Andrew used to be one - and the London Docklands Development Corporation takes advantage of this last weekend.

The LDDC was attending the MIPIM property conference in Cannes, and won wide acclaim from the British contingent by setting up a huge screen in a marquee on the beach to show the England-Ireland match live. Locals were startled, according to our man on the spot, by the sudden blast of the national anthem being belted out by 200-odd property agents.

The Methodist Church has just received an astonishing windfall of £92m from the sale of a plot of land in central Hong Kong. To be more accurate, the Council for World Mission, a small Westminster-based charity with historic links to the Methodist Church, has suddenly found itself bigger than the British Red Cross.

According to the *Methodist*

Simon Jeffreys, employment partner at City solicitors McKenna & Co, rubs his hands with glee relating the story of a client who had a problem with an employee who was "grossly abusing his sick leave". The client knew what was happening, but couldn't prove anything. Until, that is, the employee appeared on the front of an angling magazine proudly displaying an enormous carp. The photo caption revealed that the date this monster was landed happened to be one of the dates when said employee had "thrown a sicky". He must have been gutted.

## Glynwed pipes up 25% rise in profit

## RUSSELL HOTTEN

Glynwed, the Aga cookers to pipes business, surprised the city with a 25.5 per cent profits rise despite worries about the slowdown in the UK's rate of economic recovery.

Analysts edged up their forecasts for this year as the company reported profits of £84.2m and trading improvements in most key operations. Zafar Khan at Societe Generale Strauss-Turnbull raised his forecast for this year by £4m to £102m.

About 66 per cent of Glynwed's market is in UK, but the company said that continued growth in exports, up 35 per cent last year, would cushion it until the expected economic upturn at the end of 1996.

Bruce Ralph, Glynwed's chief executive, said the pipe business had benefited from higher spending by the water companies. The metals businesses were also doing well, with volumes running at the same level as last year, despite fears of a slowdown in industrial output.

"Overall, group order intake is running at the same level as the last quarter of 1995," he said.

The group would be looking to make some non-core disposals in the construction materials division, while further bolt-on deals were also possible.

Metals reported record profits of £16.8m (£11.3m), while plastics' profits rose from £19.9m to £26.3m thanks to acquisitions.

A good start to the year in the consumer products division, which makes cookers, could not be sustained because of high raw material prices and profits slipped from £14m to £12.1m.

Disposals had helped minimise the company's exposure to the UK economic cycle. The £147.3m acquisition of Victaulic was progressing well.

It had strengthened the company's position as a world leader in water, gas, and related pipework systems.

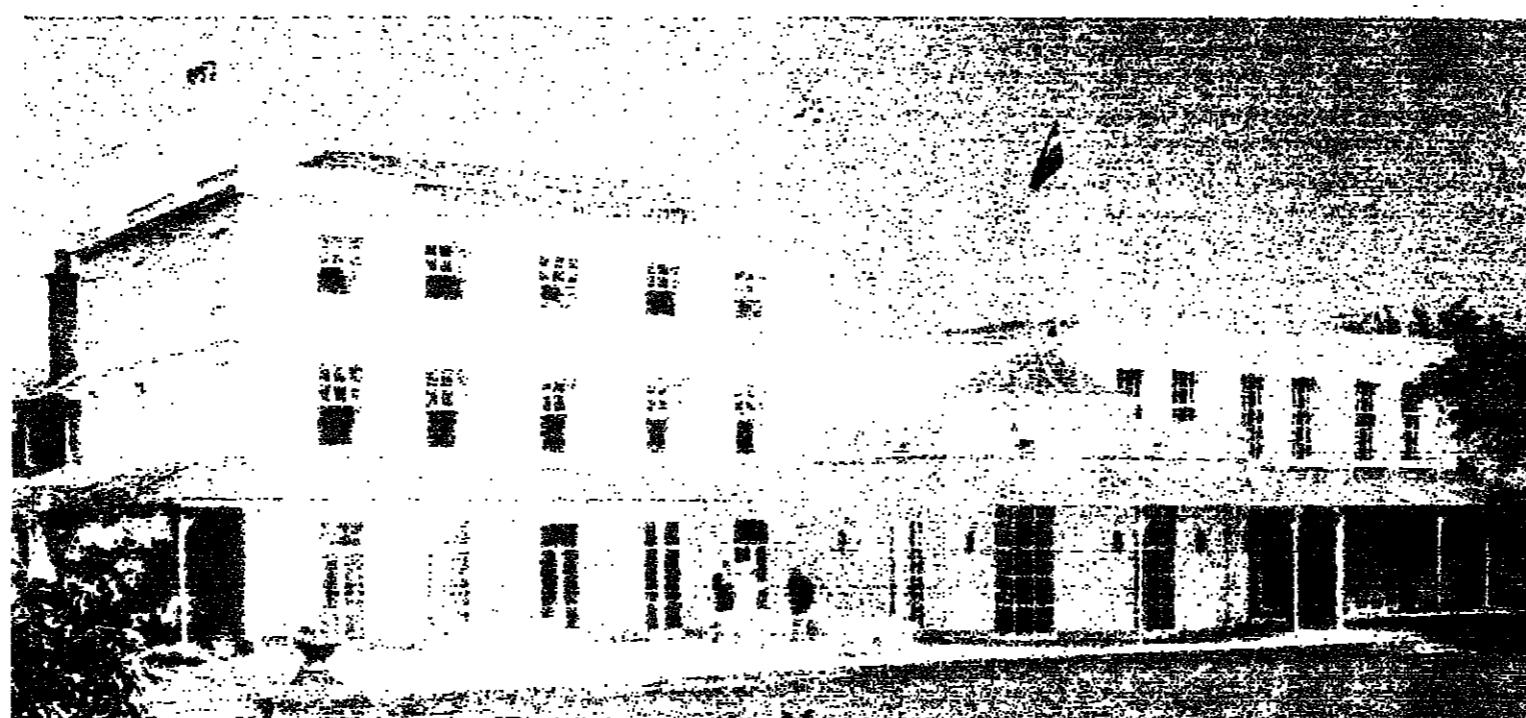
The results include a four-month contribution from Victaulic which made an operating profit of £4.6m, before reorganisation costs of £1m. Group operating profits rose 25 per cent to £93m. The final dividend is 8.35p, lifting the total payout from 12.25p to 12.75p.

## IN BRIEF

• TT Group's full-year figures were welcomed in the City yesterday, with analysts nudging up their forecasts for the diversified industrial group. After a 26 per cent jump in pre-tax profits for the year to December to £44.9m, current year forecasts were being moved up to between £52m and £53m. The company said demand for its products, which range from resistors to circuit board assemblies and suspended ceilings, had remained strong throughout the year with electronic components showing the strongest growth. Earnings per share rose 20 per cent to 19.5p while the dividend increased by a similar margin to 6.5p.

• Takare, the nursing home group, warned yesterday that industry occupancy levels would not match those of last year. It said problems largely related to temporary local authority funding difficulties and this would be seen as a short-term dip in the group's traditionally high occupancy levels. The group added 1,050 beds in 1995, taking the total to 7,620, but said newly commissioned homes were taking longer to fill. Pre-tax profits inched ahead from £21.1m to £21.8m last year, hit by the decision to depreciate buildings. The dividend rises 13 per cent to 2.6p after a final of 1.7p.

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For a Town & Country Classic Weekend Break brochure call 0541 543 500 quoting "Independent Offer". Once you have chosen your hotel call QUEENS-LINE UK Reservations on 0645 113311, quoting "Independent Offer". Your confirmation will then be sent out within 48 hours. Please remember to take your voucher and four differently numbered tokens to your hotel, they must be presented on arrival.

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Today we are giving away four weekend breaks. Each prize entitles two people to a two night bed and breakfast weekend break at the hotel of their choice. For a chance to win one of our prizes, simply call the following number: 0891 252 999. You will be asked to answer one simple question and leave your name, address and telephone number. Calls cost 39p per minute cheap rate, 49p per minute at all other times. Four winners will be picked at random from all correct entrants after lines close at midnight tonight. Normal Newspaper Publishing pic rules apply. The Editor's decision is final.

## Weekend breaks

## TOKEN 3

## THE INDEPENDENT

# This tantalising argument for easy money doesn't quite add up

The Governor of the Bank of England may feel that the appropriate stance for the central bank should be to err on the side of caution – as he said in Sweden yesterday – but that would not be the market view of current UK monetary policy.

There are two main arguments for erring on the other side, the first of which has received a great deal of attention, the second of which has not. The first is that within Europe the principal danger remains one of deflation, not inflation, and the UK economy is sufficiently closely integrated with the Continental one that some overspill of this deflation is bound to take place. The second is the extent to which the UK natural rate of growth may have risen as a result of the structural changes which have taken place during the last few years. If this natural rate of growth has risen, it is argued, it should be possible to run the economy closer to capacity without running into capacity constraints. So the present easy money policy is less dangerous than it might appear.

The second argument is a tantalising one because it is impossible to prove until after the event, in which case it may be too late. Eddie George was talking yesterday about the catastrophic of economic policy in the late 1980s when sterling shadowed the mark, leading to too loose a



ECONOMIC VIEW  
HAMISH MCRAE

monetary policy and an unsustainable boom. But at the time the relaxed policy stance was justified, in part at least, by the argument that thanks to the structural changes of the 1980s, the economy had a capacity for faster growth. In short, exactly the same arguments were used then as are being used now.

Yet there ought to be some truth in it. If one looks not at the possible rise in the natural rate of growth but at the possible fall in the natural (or non-inflationary) rate of

wage-generated inflation, in contrast to the situation in the late 1980s. The trouble is that when one looks at the growth of capacity it is very hard to demonstrate statistically that anything has changed at all.

Intuitively it would be reasonable to expect that a predominantly service economy would respond more quickly to changes in demand than a predominantly manufacturing one. Manufacturing plants take months, maybe years, to equip. Service industries do not in general have large plants with long lead times, and so can increase their output quite quickly by taking on more staff. The way that employment has responded more quickly to increased demand this cycle would support this point.

The trouble is that what ought intuitively to be happening is not showing up in the figures

unemployment, it is clear that there have been improvements. The OECD calculates that the latter has come down at least a couple of percentage points: unemployment is now below 8 per cent and there is virtually no sign of a resumption

of wage-generated inflation, in contrast to the situation in the late 1980s. The trouble is that when one looks at the growth of capacity it is very hard to demonstrate statistically that anything has changed at all.

If there is a shortage of trained staff because of over-rapid expansion you would expect that to show up in rising wage rates; if the shortage is in computer software, rising prices for software packages or (again) wage rates for experts, if in management, well, the way round that is to outsource management by bringing in consultants – something that is clearly taking place, but so far without evident signs of strain.

The trouble is that what ought intuitively to be happening is not showing up in the figures. The most useful work here is being done by the British Chambers of Commerce, which carried out a quarterly survey of capacity utilisation in manufacturing and in service industries. Since 1989 it has been asking both types of company whether they are operating at full capacity, and recording the percentage that say they are. The results are shown in the graph.

You can see the problem. If service industry was really much more flexible than manufacturing you would expect fewer

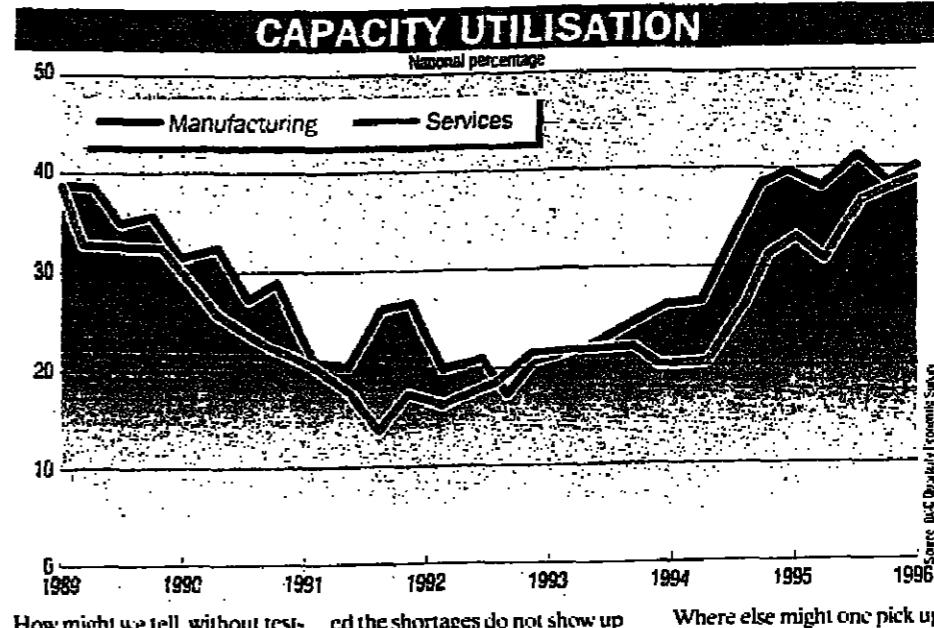
Besides, investment in a service industry is not just proportionately smaller; it is also qualitatively different from that of a manufacturing one. It is more a question of investing in training, in computer software, or in management, rather than in investing in plant.

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How might we tell, without testing the proposition to destruction? The most sensible way forward, perhaps, is to listen to what firms are saying, in particular about reasons why they might be unable to expand.

According to the Chambers of Commerce, there seem to be two main constraints: people and

the shortages do not show up in a sharp rise in wages, we do not need to worry about them. The market will signal if things are going wrong.

Promises are more of a surprise for you might imagine, given the scale of the recession, that there would be no problem. In fact many companies, particularly

Press on until there are clear signs of strain but be ever-ready to jack up interest rates

small ones, do seem to have difficulties finding suitable property. There may be a constraint to growth there, but again the commercial property market is a transparent one, so it should be possible to pick up problems before they impact on inflation.

Where else might one pick up capacity constraints? General pressure on the infrastructure is an obvious area, but our newest infrastructure – telecommunications – has vast overcapacity. There are things like congestion on the roads (services involve a lot of travel) but that is difficult to distinguish. Airport throughput is up sharply this year, but actual capacity constraints are hardly evident.

So you end up with a rather unsatisfactory conclusion: that there is no evidence that the natural rate of growth of our service-oriented economy has risen, but also no evidence yet of overheating. Policy conclusion? Press on until there are clear signs of strain, but be ever-ready to jack up interest rates to slow things down, if signals go to amber. Trouble is, they will do the first, but not the second. Or that is what Eddie George doubtless fears.

## Foreign Exchange Rates

Country	Spot	1 month	3 months	Dollar	Spot	1 month	3 months	D-Mark
US	15307	9.7	25.22	1000	—	—	—	60783
Canada	20284	17.9	41.28	13603	2.1	2.0	—	83227
Germany	22580	57.50	145.14	14726	26.24	77.74	10000	—
France	73222	139.17	354.32	50483	58.50	150.14	34844	—
Italy	23914	74.88	217.41	15613	58.65	170.32	159208	—
Japan	16257	77.73	222.20	1060	48.47	122.30	71928	—
ECU	12225	5.22	15.40	12524	7.8	5.8	5.0486	—
Belgium	45395	1.23	34.29	30283	57.47	165.45	205484	—
Denmark	87253	145.102	407.313	58970	60.40	170.20	38645	—
Netherlands	25284	64.65	185.73	16498	32.43	93.88	17190	—
Ireland	10265	10.4	22.18	15785	3.6	7.12	—	30285
Norway	20265	67.102	205.20	15654	58.45	145.45	44526	—
Spain	21005	37.47	112.95	12430	14.48	54.20	84216	—
Sweden	10289	15.15	50.20	67766	15.10	35.25	45568	—
Switzerland	18211	68.50	236.38	12820	37.34	110.14	10805	—
Australia*	15795	35.20	60.78	12923	19.21	54.56	30765	—
Hong Kong	11842	85.48	186.92	77313	2.12	15.85	52444	—
Malaysia	38896	0.0	0.0	23535	4.14	80.80	17226	—
New Zealand*	22460	4.55	125.14	14683	30.32	68.80	30946	—
Saudi Arabia	57444	0.0	0.0	87505	2.7	9.14	25441	—
Singapore	23541	0.0	0.0	14067	47.30	103.88	05842	—

\*Forward rates quoted high to low at a discount; \*\*Forward rates quoted high to low at a premium; \*\*\*Forward rates quoted as reciprocals; For the latest foreign exchange rates call 0891 123 3033. Calls cost 50p per minute (except 0891) 40p other areas.

Country	Spot	1 month	3 months	Dollar	Spot	1 month	3 months	D-Mark
Argentina	15118	0.9598	—	10222	850000	—	—	—
Austria	15791	0.8783	—	10222	85000	—	—	—
Brazil	15108	85.88	—	10222	85000	—	—	—
China	12025	0.8277	—	10222	85000	—	—	—
Egypt	15203	4.0655	—	10222	85000	—	—	—
Finland	70688	4.6125	—	10222	85000	—	—	—
Ghana	23742	150.00	—	10222	85000	—	—	—
Greece	56941	24.160	—	10222	85000	—	—	—
India	53165	5.365	—	10222	85000	—	—	—
Kuwait	04533	0.2299	—	10222	85000	—	—	—

Forward rates quoted high to low at a discount; \*\*Forward rates quoted high to low at a premium; \*\*\*Forward rates quoted as reciprocals; For the latest foreign exchange rates call 0891 123 3033. Calls cost 50p per minute (except 0891) 40p other areas.

## Other Spot Rates

Country	Sterling	Dollar	Country	Sterling	Dollar
Argentina	15118	0.9598	Nigeria	10222	85000
Austria	15791	0.8783	Oman	0.0595	0.3650
Brazil	15108	85.88	Peru	10222	85000
China	12025	0.8277	Philippines	10222	85000
Egypt	15203	4.0655	Portugal	10222	85000
Finland	70688	4.6125	Russia	10222	85000
Ghana	23742	150.00	South Africa	10222	85000
Greece	56941	24.160	Spain	10222	85000
India	53165	5.365	Taiwan	10222	85000
Kuwait	04533	0.2299	UAE	10222	85000

Forward rates quoted high to low at a discount; \*\*Forward rates quoted high to low at a premium; \*\*\*Forward rates quoted as reciprocals; For the latest foreign exchange rates call 0891 123 3033. Calls cost 50p per minute (except 0891) 40p other areas.

Country	Interest	UK	Germany	US	Japan	France	Belgium
UK	6.00%	6.00%	5.00%	8.75%	5.00%	5.00%	5.00%

# market report/shares

## DATA BANK

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FT-SE 350  
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SEAQ VOLUME  
576.1m shares,  
31,132 bargains

Gilt's Index  
92.22 -0.09

## Unitech turns out to be the winner in takeover bets

## TAKING STOCK

SHARE SPOTLIGHT	
share price, price	
700	
650	
600	
550	
500	
450	
500	500
550	550
600	600
650	650
700	700
S O N D J F M	Share price

Shares of Unitech, the electronic components group, soared 173p to 688p as the stock market awaited the signalled takeover bid from Siebe.

The surge means that half of one of the market's favourite bets has turned out to be a winner. Unfortunately most speculators had ignored Unitech, opting for the other half of the two-way bet Eurodisc Electron.

All started when Elektronwatt, the Swiss group controlled by the Credit Suisse bank acquired Landis & Gyr, an electronics group. To help meet the £1bn outlay the Swiss decided to sell peripheral investments, including 29.4 per cent of Unitech and 42 per cent of Eurodisc, an electronic components company they helped put together last summer.

Much of the speculation swirled around Eurodisc, which seemed to be the more likely takeover target. The FT-SE 100 index jumped 24.8

In the event, Unitech, which missed the speculative whirl, has become the bid target while Eurodisc still awaits a suitor. The activity was enough to lift Eurodisc 11p to 295p. It has been as high as 312p with the market taking a bid in the region of 360p.

Unitech is likely to fall to Siebe, the engineer. Late on Friday it disclosed it had picked up 25 per cent and had options on the rest of the Swiss stake. This will now be taken place. Unitech, which controls Nemic Lambada, a Japanese power supply group, is thought to want any bid to include a cash alternative.

Some, such as Societe Generale Strauss Turnbull, expect any bid to be worth 750p; others hover around 650p. Siebe lost 18p to 826p.

The rest of the market moved ahead although trading was rather lacklustre. The FT-SE 100 index jumped 24.8

points to 3,669.6 with continuing takeover speculation and a firm New York opening the main influences. Dividend payments, representing 11.8 points, masked the strength of the advance.

Cable and Wireless, reflecting the potential BT interest, gained 9.5p to 485p. BT rose 4p to 351.5p. A cable take-out price is the subject of intense debate. The group's overseas interests, including its controlling stake in Hong Kong Telecom, cloud the issue. Lehman, the US securities house, puts the bid price between 570p and 670p.

Insurance shares were firm, largely on the back of Credit

Lyonnaise Laing support. Banks continued to recover from last week's mauling prompted by the lending war. GEC fell 5p to 359.5p as it denied reports of a £25m deal with United Arab Emirates. It did confirm that Lucas Industries' chief executive, George Simpson, would succeed Lord Weinstein as managing director. Lucas little changed at 192p, is now seen as vulnerable to a bid.

National Power and PowerGen, somewhat surprisingly, greeted a delay in the monopolies examination of their proposed moves into the regional electricity industry by moving up. NP rose 9.5p to 471p and PG 11.5p to 515p.

Allied Domecq, the retailing and spirits group, rebounded 10.5p to 491p after Friday's sell-off. Takeover hopes were said to be responsible for the recovery. United Biscuits, another group where a bid is seen as a possible solution to its problems, firmed 4p to 246p.

Zeneca, another takeover favourite, ended 8p lower at 1,375p after stripping out a near 25p dividend. Elsewhere on the drugs front, Stanford Royal gained 30p to 510p ahead of figures and Skypharma was duly suspended at 9p to accommodate a major actuation.

BAT Industries had a volatile session, despite a "clear the air" over its legal problems in the US. The shares ended 12p lower at 488p after hitting 482p. They were tormented by a sharp fall in the shares of Philip Morris, the US group unsettled by

one of its executives giving evidence to the Food and Drug Administration.

NFC, the old National Freight Corporation, which has had a torrid time in recent years as a succession of profit warnings have devastated the shares, moved ahead 3p to 155p with NatWest Securities making positive noises. The shares, it said, could "be about to turn".

The day's profit warning could result in an \$87m loss hit XCL, the oil exploration group, 3p to 16p. The shares were 102p in October.

Figures helped some shares higher. Pearson put on 7p to 664p; Doffler, the chemical group, 20p to 238p and TI, a mini conglomerate, 18p to 311p. A warning that write-downs

could result in an \$87m loss hit XCL, the oil exploration group, 3p to 16p. The shares were 102p in October.

Dana Petroleum improved 0.5p to 8.5p, reflecting the clearing of a big stock overhang. The company operates in the former Soviet Union and Henderson Crosthwaite calculates growth potential could take asset value to 282p.

A warning that write-downs could result in an \$87m loss hit XCL, the oil exploration group, 3p to 16p. The shares were 102p in October.

Figures helped some shares higher. Pearson put on 7p to 664p; Doffler, the chemical group, 20p to 238p and TI, a mini conglomerate, 18p to 311p. The shares arrived at 45p in October; they closed at 65p.

## Market Report

### DEREK PAIN

Stock market reporter  
of the year

**RACING:** The Flat season on turf starts on Thursday and swiftly builds towards the Classics. Here, the leading trainers tell Ian Davies of the horses from their stables which can reward their followers in the coming months

# Flat advice to keep punters on the level

MICHAEL BELL

"Go With The Wind, who ran twice as a two-year-old, will go for an all-weather maiden soon for that third run which will entitle him to a handicap mark. He will be suited by a mile or more this season. Doctor Brown has had three runs, landed an all-weather maiden over an extended mile at Wolverhampton in January and has been given a handicap mark of 70. I think that's lenient and he might be aimed for a handicap at Kempton's Easter meeting."

JACK BARRY

Mind Games, chosen for this list in 1994 and 1995, completes the hat-trick. "He'll go for all the top sprints over five furlongs and may bid for the Haydock Park Sprint Champion over six in September. However, his main target is the Northrup over five furlongs at York in August. He won't be making such an early start this year. The Temple Stakes at Sandown in May will probably be his first race. My Melody Parkes will be aimed at the 1,000 Guineas and will probably run in the Nell Gwyn Stakes over seven furlongs at the Craven meeting first. She's by the 1983 Derby winner, Teenoos, and absolutely certain to stay a mile."

CLIVE BRITAIN

"Babinda won the Houghton Stakes at Newmarket last October. Has wintered very well and a son of Old Vic will be suited by a mile and upwards. Amforas, who is by Casperon, has been showing ability at home and will also be suited by a mile. He has plenty of speed."

NEVILLE CALLAGHAN

"Damehill Dancer, runner up to Alfaireth in the Dewhurst, is well but has not done much fast work so far. If he pleases me,

he may go for the Greenham Stakes at Newbury — he would have to carry a penalty in Newmarket's Craven Stakes as he won two Group One races last year — and then go for the 2,000 Guineas. I hopeful he will stay a mile, but I've known horses show form at seven furlongs as two-year-olds that have ended up being best at six. Tarawa won the £35,000 Ladbrokes Autumn Handicap at Newmarket last weekend and is a progressive four-year-old who is going to be better things this year. A mile suits him well."

HENRY CECIL

"Phantom Quest is a nice maiden in three-year-old by Rainbow Quest who should win a race. Bright Water is a three-year-old by Casperon who last October won a mile maiden at York. Hopefully, he will make up into a Group-class performer at a mile and a half."

PETER CHAPPLE-HYAM

"Astor Place won a 23-runner seven-furlong maiden in good style at Newmarket and then ran well when beaten only around three lengths into fifth behind Loup Solitaire in the Grand Critérium over a mile at Longchamp. He will start off in the

Craven and then run in the Darts. By Sadler's Wells, he may be a Derby colt. Heron Island is another Epsom type. He won a 17-runner mile maiden at the St Leger meeting before finishing two and a half lengths fourth to Even Top in the Somerville Tattersalls Stakes over an inadequate seven furlongs at Newmarket in October. We'll start him off in the Feilden Stakes over nine furlongs at the Craven meeting and then he'll go for one of the Derby trials."

ROGER CHARLTON

"Cap Jules, who improved about 7lb with every race last season, ending up rated about 112 by the Handicapper after winning the Cambridgeshire. He is expected to make up into a Group-race performer at 10 furlongs. He's eligible for conditions races so I'll start him off in one of those in May and then look for a Listed race. If he improves another 10lb, he'll make a Group Two horse. If he improves even more, we might even think about races like the Eclipse. Private Song is a nice American-bred by Private Account who will be suited by a mile to 10 furlongs. He finished a promising half-length second on his only start as a two-year-old in an 18-runner maiden over seven furlongs at Doncaster last November."

PAUL COLE

"Riyadah has wintered very well and, if he comes up to scratch, the main target this year will be the King George at Ascot. He acts on any going and, although he ran well when two lengths second to Spectrum in the Champion Stakes over 10 furlongs, will race only at a mile and a half this year. Leonine, who ran a bit green when a short-head second in the six furlongs Connaught Stakes on his debut, but at the York August meeting, then returned to the same track a fortnight later to win a maiden over the same trip. He will make a fair miler this year. I'll start him off in one of the lesser Classic trials, maybe the one at Thirsk over the round mile, although if he really pleased us in the next few weeks we might think about the Greenham."

JAMES FANSHAWE

"Judicial Supremacy is a two-year-old full brother — by Warming out of mare by The Minister — who will probably make his debut in a six-furlong maiden in May. Nunsharp, a three-year-old half sister to Unblest by Sharpo. She finished unplaced in a six-furlong Newmarket maiden on her only start as a juvenile last October. She will be ready to run by mid-April, will start off over six or seven furlongs and might get a mile."

Stakes winner Painter's Row, while David Loder was keen on the unraced Juvenile Applaud, who went on to win the Cherry Hinton Stakes. Not every horse will realise its potential but, with patience, following a list of horses can be a fascinating alternative to form-book study — and can throw up big-prize winners.

The horses listed here, which include unexposed handicappers, unraced maidens and possible winners of the 1,000 Guineas, Oaks, Derby and St Leger, give the punter something with which to go to war.

JOHN GOSDEN

"Lord Of Men, who won the Group One Prix de la Salamandre for me, has wintered well. He will start off in either the Greenham or the Craven. He should stay 10 furlongs but I am not sure he would last the mile and a half of the Derby.

There are fewer stamina doubts about Sacho (out to 16-1 from 20-1) by the Toty yesterday for the Derby who is by Kris out of Oh So Sharp. He is rare

runs last year, finishing third on the last of them in a maiden at Leicester when he came back not quite right. He has been wintering in Pisa, getting a bit of sun, and is working well out there. He'll start off in a small maiden and will then go for handicaps at a mile to 10 furlongs. He's the sort who might have a crack at the Britannia Handicap at Royal Ascot."

LYNDA RAMSDON

The trainer's husband, the respected professional gambler Jack Ramsden, said: "Master Charter had slight soundness problems last year but still managed to win over seven furlongs. He appeared not to get a mile subsequently, but is bred to get 10 furlongs and should stay a mile this year. He is entered for a six-furlong handicap at Doncaster on Friday. Another ready to appear is Sujid, who was picked up for 4,000 guineas from Tom Jones last back-end. She is at the bottom of the handicap, stays well and will go for 14 furlongs-plus handicaps."

RICHARD EDMONDSON

NAP: Mandicat (Ayr 2.10)

NB: Fresh Choice (Fontwell 3.30)

Stregone's odds as Grand National favourite are now as low as 6-1 after the announcement that Rough Quest will miss the race and the news that Jodam and Royal Athlete are also doubtful.

"Jodam's absence is not definite, but the National is only a week on Saturday and we're just running out of time," Peter Beaumont, Jodam's trainer.

Lynda's absence is not definite, but the National is only a week on Saturday and we're just running out of time," Peter Beaumont, Jodam's trainer.

SAID he added that his 11-year-old is more likely to run in the Irish National on 8 April, when Rough Quest is a possible rival.

Mark Pitman added last year's winner, Royal Athlete, to the doubtful list, saying: "We've been held up with him and it's odds against him running."

Young Hustler is now the likely Aintree top weight on 11st 7lb, leaving Lo Stregone just 2lb out of the handicap proper.

RESULTS

LINFIELD

2-1st: 1. TARBROCK (D Bytel) 3-1; 2. Ballynahadden (2-1); 3. Sligo Special (2-1; 6-6). 2nd: even-favouite (Mare) (10-13). 3rd: (trained by Mrs Mary Moore) (10-12). Toty was 11st 7lb, 100-1, 11-1, 13-1, 15-1, 17-1, 19-1, 21-1, 23-1, 25-1, 27-1, 29-1, 31-1, 33-1, 35-1, 37-1, 39-1, 41-1, 43-1, 45-1, 47-1, 49-1, 51-1, 53-1, 55-1, 57-1, 59-1, 61-1, 63-1, 65-1, 67-1, 69-1, 71-1, 73-1, 75-1, 77-1, 79-1, 81-1, 83-1, 85-1, 87-1, 89-1, 91-1, 93-1, 95-1, 97-1, 99-1, 101-1, 103-1, 105-1, 107-1, 109-1, 111-1, 113-1, 115-1, 117-1, 119-1, 121-1, 123-1, 125-1, 127-1, 129-1, 131-1, 133-1, 135-1, 137-1, 139-1, 141-1, 143-1, 145-1, 147-1, 149-1, 151-1, 153-1, 155-1, 157-1, 159-1, 161-1, 163-1, 165-1, 167-1, 169-1, 171-1, 173-1, 175-1, 177-1, 179-1, 181-1, 183-1, 185-1, 187-1, 189-1, 191-1, 193-1, 195-1, 197-1, 199-1, 201-1, 203-1, 205-1, 207-1, 209-1, 211-1, 213-1, 215-1, 217-1, 219-1, 221-1, 223-1, 225-1, 227-1, 229-1, 231-1, 233-1, 235-1, 237-1, 239-1, 241-1, 243-1, 245-1, 247-1, 249-1, 251-1, 253-1, 255-1, 257-1, 259-1, 261-1, 263-1, 265-1, 267-1, 269-1, 271-1, 273-1, 275-1, 277-1, 279-1, 281-1, 283-1, 285-1, 287-1, 289-1, 291-1, 293-1, 295-1, 297-1, 299-1, 301-1, 303-1, 305-1, 307-1, 309-1, 311-1, 313-1, 315-1, 317-1, 319-1, 321-1, 323-1, 325-1, 327-1, 329-1, 331-1, 333-1, 335-1, 337-1, 339-1, 341-1, 343-1, 345-1, 347-1, 349-1, 351-1, 353-1, 355-1, 357-1, 359-1, 361-1, 363-1, 365-1, 367-1, 369-1, 371-1, 373-1, 375-1, 377-1, 379-1, 381-1, 383-1, 385-1, 387-1, 389-1, 391-1, 393-1, 395-1, 397-1, 399-1, 401-1, 403-1, 405-1, 407-1, 409-1, 411-1, 413-1, 415-1, 417-1, 419-1, 421-1, 423-1, 425-1, 427-1, 429-1, 431-1, 433-1, 435-1, 437-1, 439-1, 441-1, 443-1, 445-1, 447-1, 449-1, 451-1, 453-1, 455-1, 457-1, 459-1, 461-1, 463-1, 465-1, 467-1, 469-1, 471-1, 473-1, 475-1, 477-1, 479-1, 481-1, 483-1, 485-1, 487-1, 489-1, 491-1, 493-1, 495-1, 497-1, 499-1, 501-1, 503-1, 505-1, 507-1, 509-1, 511-1, 513-1, 515-1, 517-1, 519-1, 521-1, 523-1, 525-1, 527-1, 529-1, 531-1, 533-1, 535-1, 537-1, 539-1, 541-1, 543-1, 545-1, 547-1, 549-1, 551-1, 553-1, 555-1, 557-1, 559-1, 561-1, 563-1, 565-1, 567-1, 569-1, 571-1, 573-1, 575-1, 577-1, 579-1, 581-1, 583-1, 585-1, 587-1, 589-1, 591-1, 593-1, 595-1, 597-1, 599-1, 601-1, 603-1, 605-1, 607-1, 609-1, 611-1, 613-1, 615-1, 617-1, 619-1, 621-1, 623-1, 625-1, 627-1, 629-1, 631-1, 633-1, 635-1, 637-1, 639-1, 641-1, 643-1, 645-1, 647-1, 649-1, 651-1, 653-1, 655-1, 657-1, 659-1, 661-1, 663-1, 665-1, 667-1, 669-1, 671-1, 673-1, 675-1, 677-1, 679-1, 681-1, 683-1, 685-1, 687-1, 689-1, 691-1, 693-1, 695-1, 697-1, 699-1, 701-1, 703-1, 705-1, 707-1, 709-1, 711-1, 713-1, 715-1, 717-1, 719-1, 721-1, 723-1, 725-1, 727-1, 729-1, 731-1, 733-1, 735-1, 737-1, 739-1, 741-1, 743-1, 745-1, 747-1, 749-1, 751-1, 753-1, 755-1, 757-1, 759-1, 761-1, 763-1, 765-1, 767-1, 769-1, 771-1, 773-1, 775-1, 777-1, 779-1, 781-1, 783-1, 785-1, 787-1, 789-1, 791-1, 793-1, 795-1, 797-1, 799-1, 801-1, 803-1, 805-1, 807-1, 809-1, 811-1, 813-1, 815-1, 817-1, 819-1, 821-1, 823-1, 825-1, 827-1, 829-1, 831-1, 833-1, 835-1, 837-1, 839-1, 841-1, 843-1, 845-1, 847-1, 849-1, 851-1, 853-1, 855-1, 857-1, 859-1, 861-1, 863-1, 865-1, 867-1, 869-1, 871-1, 873-1, 875-1, 877-1, 879-1, 881-1, 883-1, 885-1, 887-1, 889-1, 891-1, 893-1, 895-1, 897-1, 899-1, 901-1, 903-1, 905-1, 907-1, 909-1, 911-1, 913-1, 915-1, 917-1, 919-1, 921-1, 923-1, 925-1, 927-1, 929-1, 931-1, 933-1, 935-1, 937-1, 939-1, 941-1, 943-1, 945-1, 947-1, 949-1, 951-1, 953-1, 955-1, 957-1, 959-1, 961-1, 963-1, 965-1, 967-1, 969-1, 971-1, 973-1, 975-1, 977-1, 979-1, 981-1, 983-1, 985-1, 987-1, 989-1, 991-1, 993-1, 995-1, 997-1, 999-1, 1001-1, 1003-1, 1005-1, 1007-1, 1009-1, 1011-1, 1013-1, 1015-1, 1017-1, 1019-1, 1021-1, 1023-1, 1025-1, 1027-1, 1029-1, 1031-1, 1033-1, 1035-1, 1037-1, 1039-1, 1041-1, 1043-1, 1045-1, 1047-1, 1049-1, 1051-1, 1053-1, 1055-1, 1057-1, 1059-1, 1061-1, 1063-1, 1065-1, 1067-1, 1069-1, 1071-1, 1073-1, 1075-1, 1077-1, 1079-1, 1081-1, 1083-1, 1085-1, 1087-1, 1089-1, 1091-1, 1093-1, 1095-1, 1097-1, 1099-1, 1101-1, 1103-1, 1105-1, 1107-1, 1109-1, 1111-1, 1113-1, 1115-1, 1117-1, 1119-1, 1121-1, 1123-1, 1125-1, 1127-1, 1129-1, 1131-1, 1133-1, 1135-1, 1137-1, 1139-1, 1141-1, 1143-1, 1145-1, 1147-1, 1149-1, 1151-1, 1153-1, 1155-1, 1157-1, 1159-1, 1161-1, 1163-1, 1165-1, 1167-1, 1169-1, 1171-1, 1173-1, 1175-1, 1177-1, 1179-1, 1181-1, 1183-1, 118





# SPORT

## Clark rejects England speculation

### Football

Frank Clark believes almost every manager in the Premiership is in the frame for the England manager's job, but that has not stopped the bookmakers William Hill closing their book on who will succeed Terry Venables.

Their decision followed the Nottingham Forest manager's dismissal of reports that he is to work alongside Venables for Euro 96 before taking over.

"Clearly moves are about to approach certain potential managers and the Football Association must have a list of people they wish to sound out," Hill's spokesman, Graham Sharpe, said.

"We have no idea who they may be but would not be surprised if plenty of other people do, which would make it financial suicide for us to continue to bet."

Clark, whose team face Bayern Munich in the Uefa Cup tonight, had been heavily backed recently with his odds being cut from 10-1 to 4-1 third favourite. The Leeds manager, Howard Wilkinson, was the 7-4 favourite and Tottenham's Gerry Francis the next best at 2-1 when the book was closed.

"Speculation is inevitable because almost every Premier League manager could be put in the frame," Clark said. "But to say England are about to appoint me is going too far. I haven't had any contact with the Football Association, either officially or unofficially."

### Herzog brands Bayern as 'vain superstars'

Bayer Munich were branded "vain superstars" by one of their own players on the eve of their second-leg Uefa Cup tie at Nottingham Forest, writes Alan Nixon.

Bayer's Austrian midfielder, Andy Herzog, who is currently seeking a transfer, said: "This team is a bunch of vain superstars. Nobody wants to do the dirty work during the games. If anybody dares to do different, it is looked on as a sign of weakness."

Glenn Moore, page 23

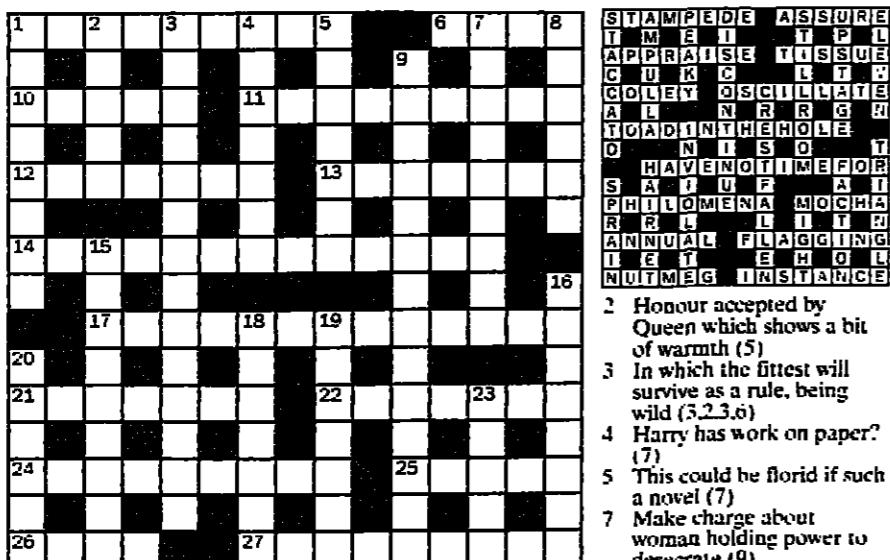
### THE INDEPENDENT CROSSWORD in association with



No. 293, Tuesday 19 March

By Aled

Monday's Solution



**ACROSS**

- Depart humorously as insect's let nut and away (6,3)
- Oie who comes out about living" (4)
- Eat box accommodating old women (2-3)
- CIA has penalty imposed because of money (9)
- Blunder traps Irish animal (7)
- Moral quibble which has little gravity (7)
- Intimate his changes after taking a new drug (13)
- Sue, junior, sins grievously, revealing a harmful nature (13)

**DOWN**

- Young reporter catches one VIP over description of plague (7)
- Convict in hat is working the fields (7)
- Show there's no blame for old copper damaging plate (9)
- Cne adhesive said to be suitable for home use? (5)
- Time to beg for work (4)
- Pleased to be put back in the dark? (9)
- Protest as outside broadcast requires 100 to be put in place (6)
- Assign a charge for crossing over (5)

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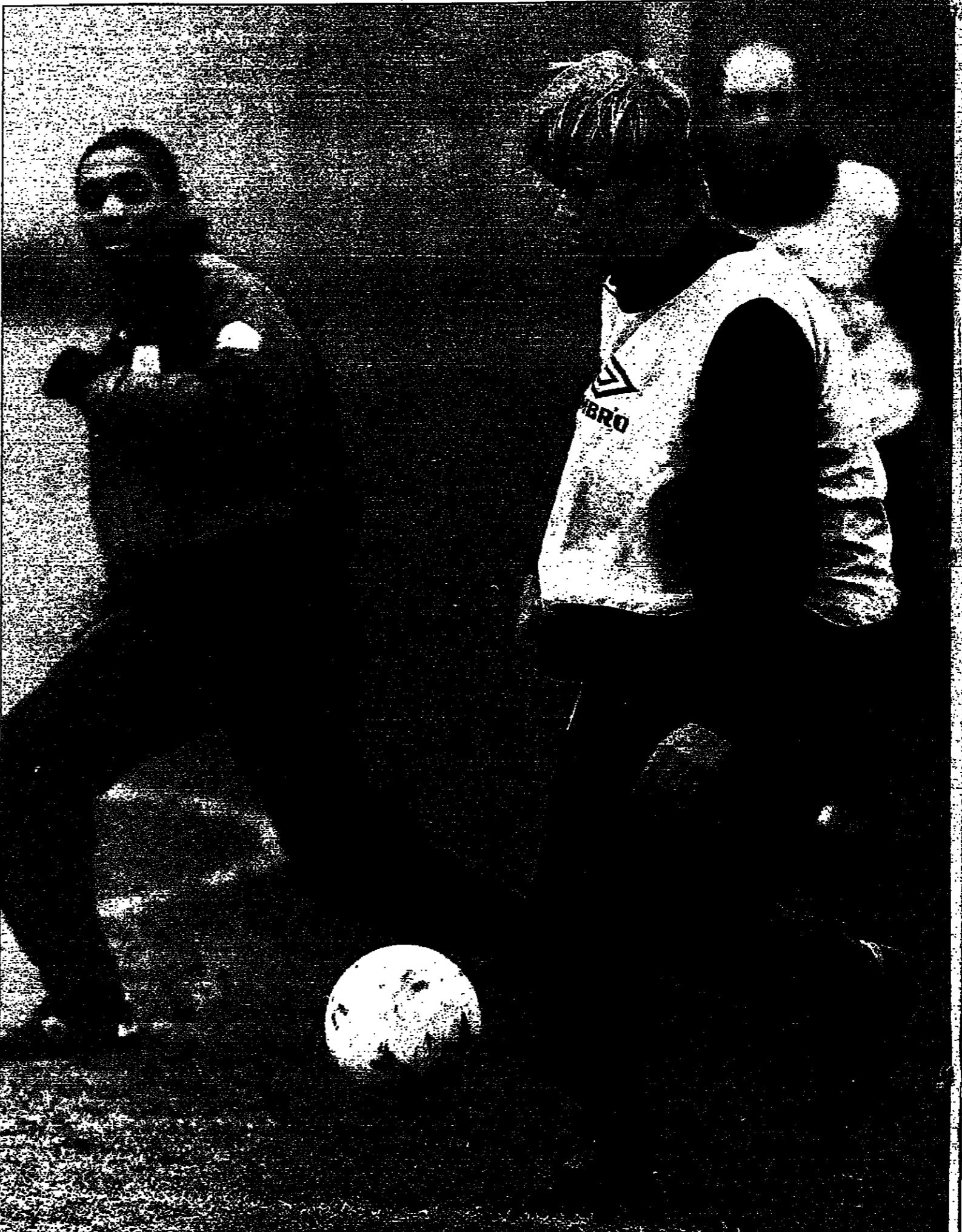
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The success story of the championship was Scotland. In Italy they were awful, on paper they were moderate, but a well balanced back-row and gifted half-backs can take you a long way in rugby. Mark Evans, the Saracens coach, gives a critical overview of the Five Nations. 22



Mark Evans, the Saracens coach, gives a critical overview of the Five Nations. 22



Bryan Roy (left) watches his Nottingham Forest team-mate, Alf Inge Haaland, in training for their Uefa Cup match tonight

Photograph: Empics

## Lottery money sought to fund future success

### Athletics

MIKE ROWBOTTOM

British athletics is submitting a major National Lottery bid this week which could transform the parlous financial position of the sport in this country and underpin the development of elite performers through to the year 2002.

The bid, which seeks several million pounds in funding spread over the next six years, has been put together by Mike Whittingham, the former Olympic 400 metres hurdler who now coaches athletes such as Roger Black and acts as a consultant for the British Athletic Federation.

It seeks to establish a co-ordinated programme of services for elite and developing athletes which will provide everything from medical back-up to funding for training breaks and competitive opportunities.

Such an idea has been mooted in the past, but has founded on two main points. The first has been a straightforward lack of funding - at last Saturday's BAF annual meeting, the outgoing treasurer, John Lister, announced an operating loss of £174,000 for last year and warned of "painful" years ahead.

Whittingham envisages that around 1,000 athletes would benefit from the programme over a six-year period that encompasses 43 major championships, including two Olympic Games. It would chime in with the philosophy of government assistance which has been operating with increasing success in countries such as Portugal, Spain and France.

"Everyone is wondering where the next Linford Christie, Sally Gunnell or Colin Jackson is going to come through," Whittingham said. "They are going to come through from this programme."

The initiative is timed to fit with the widening of Lottery funding from capital to revenue projects which was announced in principle in February.

Whittingham attended the launch of the Prime Minister's sporting initiative, Raising The Game, in July and took the opportunity to hand John Major a synopsis of his plan.

He has since made presentations alongside Arnold, to both the Minister for Sport, Ian Sproat, and the Shadow Minister for Sport, Tom Pendry.

"We had very positive feedback from both of them," Whittingham said.

## Bruno waits as Tyson marches on

### Boxing

Frank Bruno was considering retirement when he arrived back in London yesterday, as the talk was of unification of the belts, with Tyson aiming at the World Boxing Association champion, Bruce Seldon, at the MGM Grand on 13 July, followed by South Africa's International Boxing Federation heavyweight champion, Frans Botha, who first has to meet former champion Michael Moorer.

Botha, who tested positive for

steroids after his title victory over Axel Schulz in December, yesterday threw down the gauntlet, declaring: "Tyson's strong and powerful, but he has no skill. I'm the white Muhammad Ali."

Britain's Lennox Lewis, by virtue of Friday's New Jersey court ruling, is next in line for the WBC title, and should find himself back at No 1 in the April list of rankings, although a revitalised Oliver McCall is now jostling him for pole position to take on Tyson.

**RANTING ON**

ABOUT WHO I INSURE WITH  
IS BORING. ALL YOU CARE  
ABOUT IS GETTING GOOD  
VALUE FOR MONEY



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I didn't have a big budget."

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